

## 2009 Defense Supply Center Columbus' Land and Maritime Supply Chains Business Conference and Exhibition

"Connecting Suppliers To Warfighters...."

Columbus, OH

17 - 19 August 2009

**Agenda** 

#### Tuesday, 18 August, 2009

#### "CONNECTING SUPPLIERS TO WARFIGHTERS..."

• <u>VADM Alan S. Thompson</u>, SC, USN, Director, Defense Logistics Agency

#### STATE OF THE CENTER ADDRESS: "CONNECTING SUPPLIERS TO WARFIGHTERS..."

• Mr. James M. McClaugherty, SES, Deputy Commander, Defense Supply Center Columbus

#### ACQUISITION: "CONNECTING SUPPLIERS TO WARFIGHTERS..."

• Mr. Milton Lewis, Executive Director, Defense Supply Center Columbus

#### Wednesday, 19 August, 2009

#### MORNING GUEST SPEAKER

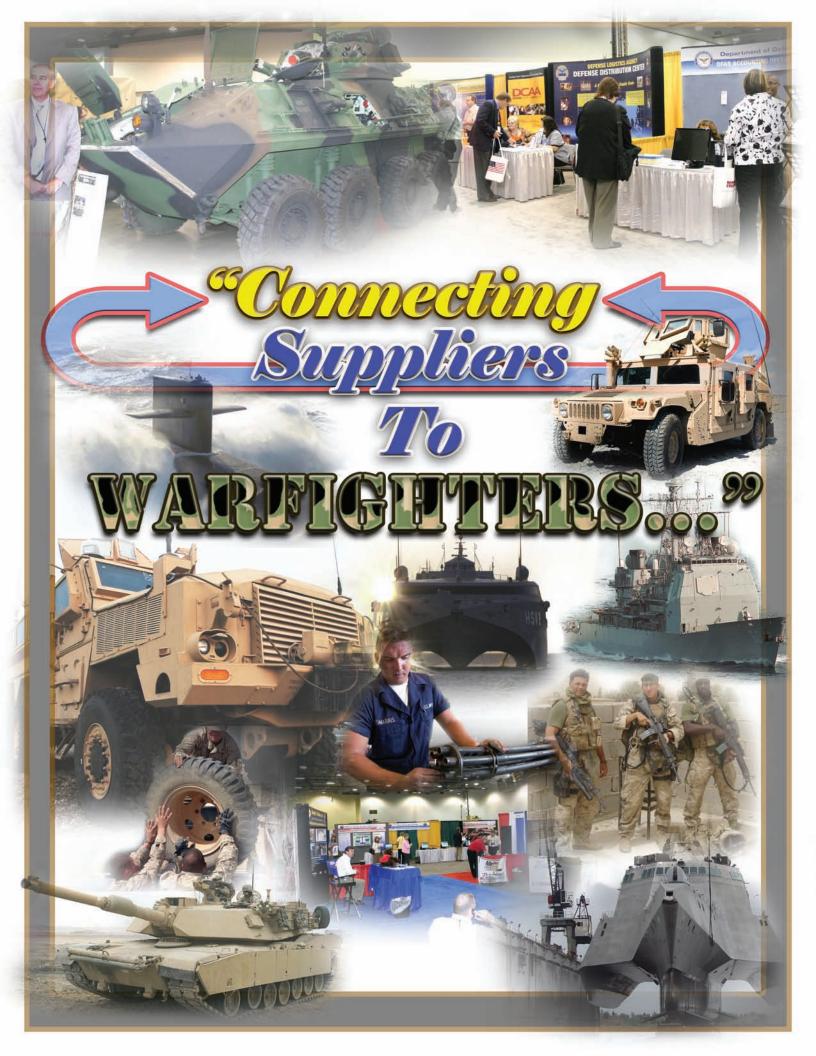
Mr. Jeff Dretzka, Vice President of Sales and Marketing, Underground Pipline, Inc. (UPI)

#### **BREAKOUT SESSIONS AUGUST 18-19, 2009**

- Land Supply Chain, Denise Pennington, Tactical Vehicle Support; LTC Eva McElroy, Supplier Support; Linda Johnson, Combat Vehicle Support and Marty Sass, SMSG
- 2. Maritime Supply Chain
- 3. Procurement Systems and Supplier Interfaces, Ken Rumbaugh, DSCC Systems and Procedures Division
- 4. Value Engineering, Dwayne Porter, Castings and Forgings; Steve Gomez, Value Engineering Proposals
- 5. DFAS Your Financial Partner At Work
  - a. AP Vendor Pay, Samantha Rohrbacher, DFAS, Accounts Payable
  - b. Wide Area Workflow (WAWF) Overview, eSolutions Office, DFAS
  - c. Contract Pay (MOCAS) Operations Overview, Joe Spring, Accounts Payable Acquisition Directorate
  - d. Top Ten Reasons for Delayed Payment
- 6. <u>Surge and Industrial Base Initiatives</u>, Jim Buchanan & Steve Roadfeldt, Industrial Capability & Warstopper Program; Ronnie Favors, Defense National Stockpile Center (DNSC)
- 7. DLR Depot Level Reparable
  - a. BRAC 2005 Supply and Storage Decisions
  - b. BRAC DLA Mechanicsburg Overview
  - c. <u>DLA Warren Overview and Opportunites</u>, Ellen Dennis
- 8. Maritime Federal Supply Class Supply Chain Partnership, Kreston Harris, Matthew Woolstenhulme
- 9. Procurement Opportunities For Small Business, Rebecca Parks
- 10. Product Verification Program
  - a. Product Verification Program Assuring Quality of Our Stock, Doug Fosnaught, Chief, Product Verification Division
  - b. DLA Product Test Centers (PTC)
- 11. Pricing and Contracting Strategies

- a. Adequate Proposal Packages & TINA Requirements, Ray York, Chief, Pricing Division, Procurement Process Support
- b. <u>Preparing Proposals</u>
- 12. Radio Frequency Identification (RFID) and Packaging and Marking
  a. <u>AIT and Passive RFID</u>, Mark Lieberman

  - b. Packaging. Deborah Thompson, DSCC-VSP Packaging Office



## FROM THE COMMANDER, DSCC



Welcome! Thank you for your participation in the 2009 Defense Supply Center Columbus' Land and Maritime Supply Chains Business Conference and Exhibition. Once again, we are pleased to work with the National Defense Industrial Association (NDIA) who sponsors this special event. The NDIA and DSCC staffs have worked very hard to make this a meaningful event for our industry partners.

DSCC leads and manages DLA's Land and Maritime supply chains to provide the best possible support to America's Armed Forces. You play essential roles in helping DSCC accomplish this demanding and dynamic mission.

This year's conference theme, "Connecting Suppliers to Warfighters," is symbolic of our ongoing mission at DSCC. We are committed to relentlessly pursuing satisfaction for our customers and meeting their requirements through enhanced relationships with you, our valued suppliers.

The transformation of DLA from a wholesale-focused organization to end-to-end Supply Chain Management has taken shape. Those fundamental mission changes, along with new Supply, Storage and Distribution and Depot Level Reparable missions from BRAC 2005 have led us to look for new opportunities with suppliers. These include the search for innovative procurement methods and practices to improve warfighter support, gain better effectiveness, and drive increased efficiency.

We took your suggestions from previous years to provide forums and presentations to help understand some new focus areas within DSCC and throughout DLA. We look forward to the networking opportunities this conference provides, and to working closely with our suppliers to forge relationships and cooperative agreements that support our Armed Forces. I hope you find this year's conference to be very beneficial, and as always, we welcome your feedback on how we can serve you better in the future. I look forward to meeting you.

THOMAS J. RICHARDSON
Brigadier General, USA
Commanding

## FROM THE DEPUTY COMMANDER, DSCC



On behalf of DSCC and the Land and Maritime Demand/Supply Chains, welcome to the 2009 Defense Supply Center Columbus Land and Maritime Supply Chains Business Conference and Exhibition. I am excited that you are here (hopefully again!) and expect this year to build on the successes of the past.

This is our seventh conference and once again we have an excellent host here at the Greater Columbus Convention Center. In addition, I am also grateful to have the talents of the National Defense Industrial Association (NDIA) helping us make the conference as productive as possible.

We strive annually to make each year's event a meaningful opportunity for all who participate — our collective goals should be to develop new ideas, share

success stories, learn of best practices, and meet colleagues from across the country and around the world.

This year's theme, "Connecting Suppliers to Warfighters," emphasizes the ultimate objective of this conference, which is to enhance support of our warfighters by developing new and sustainable relationships with you --our suppliers — who are the lifeblood of our business. I trust you will find this theme resonating throughout the Conference, from the plenary sessions to the break out groups to the socials.

We look forward to your input on how we can continue to maintain the highest levels of support to our customers – the Soldiers, Sailors, Airmen, Coast Guardsmen and Marines stationed around the globe. They are counting on us and they deserve the best support that we can provide.

Again, welcome and thank you for your participation

JAMES MCCLAUGHERTY, SES
DSCC Deputy Commander

## FROM THE EXECUTIVE DIRECTOR, DSCC



Welcome to the 2009 Defense Supply Center Columbus Land and Maritime Supply Chains Business Conference and Exhibition. I am delighted you are joining us and truly excited at the opportunity this type of forum presents. I believe the partnerships between suppliers, customers and DSCC creates a bond that inspires understanding and respect.

This year's conference theme, "Connecting Suppliers to Warfighters," reflects our commitment to link our supply chain customers with our suppliers through initiatives designed to cultivate responsive, meaningful, and measured collaborative relationships.

I look forward to networking and exchanging information with each of you; along with discussing the latest news on topics, programs, and initiatives of interest for companies pursuing Government business.

On behalf of the men and women of the Armed Forces who defend our freedom around the world, please accept my thanks for your support. Suppliers are vital to the success of our support to the warfighter. By being informed and maintaining an awareness of the needs of the warfighter, we can work together to ensure that Soldiers, Sailors, Airmen, Marines, and Coast Guardsmen have the right item at the right time and at the right place.

MILTON LEWIS, SES
DSCC Executive Director,
Contracting and Acquisition

#### A MESSAGE FROM OUR FORMER COMMANDER



## To DSCC'S Dedicated Suppliers

as I depart DSCC, I wanted to thank each of you for your tremendous support to the men and women of our armed Forces who so diligently guard our freedoms. It was an honor to command the part of the DLA Enterprise responsible for Fand Marctime systems readiness. I'm proud of what this command does through hard work, innovation, and true partnering with our customers an our valued suppliers. The theme of this conference - Connecting Suppliers to Warfighters - is a recognition of exceptional performance and a call-toarms to continue to excel in the future. I thank each of you for your commitment, as I look youward to being on the "demand" side again - knowing I can depend on the -Patricia McDevistion very best support! BG, US Armu



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#### **ABOUT DSCC**

Throughout the world, the Defense Supply Center Columbus is known to more than 24,000 military and civilian customers and 10,000 contractors as one of the largest suppliers of spare parts. DSCC is a field activity of the Defense Logistics Agency which has its headquarters in Ft. Belvoir, Va.

Today, DSCC's state-of-the-art supply chain system connects business processes from the supplier to the customer through the Land and Maritime supply chains. Managing two of DLA's eight supply chains, DSCC buys and supplies more than 2 million items within those supply chains with a partnering agreement with two other DLA defense supply centers. DSCC accounts for more than \$3 billion in annual sales.

The DSCC Commanding General is Army Brigadier General Thomas J. Richardson. The Deputy Commander is James M. McClaugherty, and the Executive Director, Contracting and Acquisition Management is Milton K. Lewis. The Chief of Staff is Air Force Col. Daniel K. Hicks.

DLA's vision and mission are the foundation statements for DSCC's commitment to the Nation's Armed Forces. DSCC's corporate identifier, The DSCC Way, illustrates the principle components of DSCC's culture and business interpersonal ethics. The identifier defines the Center's expectations about customer support and the values it promote among its associates.

This Center, now called the Defense Supply Center Columbus, has served in every major military engagement since World War I. In 1917, America's production effort in World War I reached a dilemma when supply lines to ports of embarkation for troops and material became filled to capacity. This site, originally a combination of swamp land and farmland, filled the need for a logistics center because it afforded immediate access to three important railroad lines and was centrally located amongst U.S. manufacturing centers. In April 1918, the U.S. Army Quartermaster Corps purchased 281 acres of land on which to construct the government military installation now known as DSCC. Warehouse construction began in May of that year, and by August, six warehouses were receiving material for storage. Those warehouses were still in use before being demolished at the turn of the millennium.

The lull between WWI and WWII reduced Center operations to mostly reconditioning and sales of wartime stockpiles, and in the 1930s, the Center became a regional headquarters for the Civilian Conservation Corps.

During WWII the Center became the largest military supply installation in the world. In December 1942, an additional 295 acres were purchased. With more that 10,000 civilian employees, it played a large part in the overall war effort. Near the end of the war, some of the warehouses were turned into secured barracks to house hundreds of prisoners of war.

Amidst the wars, the conflicts and humanitarian relief efforts, the installation has continuously worked to establish direct and fast moving supply lines to support U.S. troops in all parts of the world.

The installation's operational activities were assigned to the U.S. Army Supply and Maintenance Command in July 1962. The following year, it became the Defense Construction Supply Center under what is presently known as the DLA.

DSCC was formed from the 1993 Base Realignment and Closure Commission-ordered merger of the former Defense Construction Supply Center and the former Defense Electronics Supply Center in Dayton, Ohio. The merger provided the installation with its 14<sup>th</sup> name change, thus becoming the Defense Supply Center Columbus in January 1996.

The Base Realignment and Closure (BRAC) decisions of 2005 further extended DSCC's mission to directly support customers, transferring mission and personnel in Mechanicsburg, PA supporting the Navy, and in Warren, MI supporting the Army. These organizations focus on leveraging DLA's huge buying power while procuring Depot Level Repairable (DLR) assemblies. DSCC is also poised to receive units to perform Supply, Storage and Distribution (SS&D) services to industrial depot customers of the Army, Navy and Marine Corps over the next two years.

## "CONNECTING SUPPLIERS TO WARFIGHTERS..."

The Land and Maritime Supply Chains Business Conference theme conveys the Defense Logistics Agency and the military organizations' focus at linking with commercial supply chains and creating seamless, an extended enterprise in support of the warfighter.

Defense Logistics Agency is proceeding in an effort to standardize its information technology systems, simplify and streamline its processes, and develop and deploy tools that will allow supply to be seamlessly linked with demand. DLA faces the additional challenge of adapting its systems to the expanded mission, which proceeded from the Base Realignment and Closure (BRAC) process.

DLA's quest started in 1999 when the agency decided to replace its decades-old legacy systems through an initiative called Business Systems Modernization, or BSM. BSM replaced the old COBOL-based systems with an SAP ERP system, plus added on integrated planning and forecasting capabilities from Manugistics. In 2007, DLA embarked on a program called Enterprise Business Systems in an effort to enhance its supply chain and logistics processes in response to its new BRAC missions.

The DLA enterprise is huge, spending \$38 billion per year to manage 95 percent of the repair parts procurement for all of the armed services as well as 100 percent of the food, fuel, medical supplies, clothing and construction equipment across the Department of Defense. DLA activities reach 126 nations with 520,000 shipments annually and 54,000 requisitions in any one day. It manages over 5 million items in eight supply chains across 26 distribution depots. If DLA were a private concern, it would b the third largest distribution and warehousing organization in the world.

The purpose of DLA's BSM strategy was to enable processes that would integrate its supply management and logistics. The agency moved to ERP with the objectives of reducing inventory cycle times, improving customer service, and implementing uniform processes, procedures and performance metrics. EBS is providing additional refinement to those processes.

DLAs new performance measures include metrics like demand and planning accuracy. DLA placed heavy reliance on obtaining the best possible forecast by collaborating with our customers, primarily the major armed services repair organizations, generating a demand plan and then scheduling procurement and positioning stock to the right places. On the supplier side, DLA sought to improve supplier availability to promise and reduce lead times.

The biggest challenge to face DLA in recent years has been to implement provisions of the 2005 BRAC Supply, Storage and Distribution (SS&D) Management Reconfiguration legislation. The BRAC legislation made DLA the effective supply department for repair parts for 13 maintenance depots - including Air Logistic Centers, Fleet Readiness Centers, Naval Shipyards and Army Industrial Depots - and, in a departure from its earlier mission, gave DLA responsibility for retail, as well as wholesale, operations.

DLA is now responsible, not only for ordering and stocking parts, but for delivering those parts to the mechanics who need them. The Inventory Management and Stock Positioning (IMSP) project was launched in response to the 2005 BRAC requirements. IMSP is designed to enhance EBS functionality to help DLA fulfill its new BRAC mission. IMSP will deliver the SAP and Manugistics inventory management functionality required to extend DLA's support of industrial depot maintenance customers.

IMSP will be delivered to those locations in three development spirals, first to air logistics centers and later to Navy/Marine Corps and Army sites. As part of IMSP, several tools have been developed within the Manugistics software package that will permit an improvement to DLA's inventory posture through increased visibility of customer demands at the consumer level.

One such offering is a Web-based collaboration tool that allows DLA customers to convey their supply plans to the agency. DLA aggregates the data generated by individual customers





and passes that along to suppliers, allowing them to plan production. Planning horizon timelines are up to five years, which is required for major systems such as ships and aircraft.

Another new tool being used by DLA is a forecasting tool deployed as part of the Manugistics suite. This tool can use several different statistical models to make a forecast. The system actually chooses which model to use for any given situation. This tool is especially useful for situations where past experience is not an effective predictor of future demand. DLA's legacy system included only one forecasting model.

On the supplier side, DLA is in the process of configuring a portal within SAP, which will allow vendors to view two-year forecasts for individual products. One of the objects of this tool is to reduce the procurement and production lead times required for products that DLA orders, thereby also streamlining processes and reducing costs. DLA plans on rolling out that portal in 2010.

Matching up supply and demand is not merely a question of technology. Closer and more collaborative relationships among the DLA and its customers and suppliers have also proved to be key to the changes DLA is seeking.

On the customer side, DLA has sought to conclude joint collaboration agreements with 50 of its largest customers in an effort to get the best possible data for its forecasts. It starts by getting good data. By getting granular data from documents such as bills of materials and repair schedules, DLA is better able to meet the needs of the service repair facility.

DLA has also established strategic supplier alliances with 31 vendors. By partnering with these vendors, DLA is able to improve the processes that underlie the relationship. DLA can get process improvements, reduction in lead times, and work on whatever other mutual objectives DLA may have. In order to make this program as effective as possible, DLA focused on 20 percent of its suppliers that provide 80 percent of its products.

DLA has also sought to streamline its deliveries by acquiring end- to - end commercial supply chain services through its prime vendor program. DLA has contracted with food, fuel and medical suppliers to manage these supply chains and deliver commodities directly to warfighters. The government is not involved in the manufacture or distribution of the products. It is the responsibility of the prime vendor to acquire the product. DLA prime vendors even deliver to Iraq and Afghanistan, where warfighters benefit by enjoying the same brand-name food and consuming the same medicines they are use to back home.

DLA's strategic relationships have dramatically reduced lead time from an average of 79 days for regularly sourced materials to an average of 29 days for DLAs strategically sourced counterparts. Some product lead times have been reduced from 60 days to two days. The response of DLA's vendors has been excellent. They are interested in responding to warfighter requirements. There are certainly areas DLA needs to improve upon. Downward pressure on pricing will continue to be at the forefront of these alliances.

Improving supply chain visibility is a continuing and ongoing process that will always inch forward toward, but may not actually achieve, full demand and supply synchronicity. This continuous improvement is important, especially as DLA takes on its new, BRAC induced retail role.

DLAs feeling is that the demand signal is a little distorted because DLA is not seeing consumer demand but increased visibly of consumption should lead to better planning. The result should be better stock positioning, and a reduction in the footprint and cash outlays of the supply centers run by the armed services.

We have several keynote speakers from the military service and industry who will provide updates on our customers' operational requirements, business initiatives, and many opportunities to obtain the latest news on topics, programs and initiatives of importance to companies interested in doing business with DLA. We look forward to having you join us to exchange information with Land and Maritime Supply Chains' leadership and personnel.

## MONDAY AUGUST 17 2009

8:00 am - 6:30 pm — ONSITE REGISTRATION OPEN

12:00 pm — DEFENSE SUPPLY CENTER COLUMBUS FACILITY TOUR

Buses will depart from the Columbus Convention Center for DSCC. Schedule includes a DSCC State of the Center Briefing, tour of the Command Suite, Test Lab, Ohio Army National Guard Facility, Small Business Office and DSCC History Gallery. A maximum of 150 participants can attend. Registration is separate from conference registration.

4:00 pm — RETURN TO THE COLUMBUS CONVENTION CENTER

5:00 pm — EXHIBIT HALL OPENS

10:30 am — EXHIBIT HALL OPENS

5:00 pm - 6:30 pm — OPENING RECEPTION IN EXHIBIT HALL C

6:30 pm — CONFERENCE ADJOURNS FOR THE DAY; EXHIBIT HALL CLOSES FOR THE DAY

#### **TUESDAY AUGUST 18 2009**

6:45 am - 6:30 pm — ONSITE REGISTRATION OPEN	
6:45 am - 7:45 am — CONTINENTAL BREAKFASTBallroom Fo	oyer
7:45 am — WELCOME/ADMINISTRATIVE REMARKS	1-3
7:55 am — POSTING OF COLORS  Multi-Service Color Guard	
8:00 am — NATIONAL ANTHEM  National Anthem, The American Belles  Patriotic Song, The American Belles	
8:05 am — OPENING REMARKS BG Thomas J. Richardson, USA, Commander, Defense Supply Center Columbus	
8:15 am — "CONNECTING SUPPLIERS TO WARFIGHTERS"  VADM Alan S. Thompson, SC, USN, Director, Defense Logistics Agency	
8:45 am — DSCC RECOGNITION FOR EXCELLENCE AWARD CEREMONY	
9:30 am — STATE OF THE CENTER ADDRESS: "CONNECTING SUPPLIERS TO WARFIGHTERS"  Mr. James M. McClaugherty, SES, Deputy Commander, Defense Supply Center Columbus	
10:00 am — ACQUISITION: "CONNECTING SUPPLIERS TO WARFIGHTERS"  Mr. Milton Lewis, Executive Director, Defense Supply Center Columbus	

## TUESDAY AUGUST 18 2009

10:00 am - 12:00 pm — CAPABILITY ASSESSMENT BRIEFING.	C123
DSCC's Office of Small Business Programs is hosting a series of capability briefings during t	
Supply Chains Business Conference & Exhibition. The manufactures will present an overview	
quality systems, and competencies and explain the types of parts they produce. You will a	
manufactures Capability Statement. The Capability Statements provides additional information	n on their commodity
focus, processes, machinery and material capabilities as well as their quality systems. The au-	
personnel such as Buyers and Contracting Officers, Technical and Quality Specialists, Industrial	
and Small Business Specialists. Each briefing will be fifteen minutes with five minutes for q	uestions and answers.
10:30 am — BREAK IN EXHIBIT HALL C	
10:30 am - 4:30 pm — DSCC NETWORKING	R00M C122
A networking room will be available Tuesday from 10:30 am to 12:00 pm, 2:00 pm to 4:30 pm and	Wednesday, from 7:45
am to 12:00 pm and 2:00 pm to 4:30 pm by appointment only for suppliers to network with DSCC	buyers, administrators,
product specialists, supply planners, etc.	
10:45 am - 12:00 pm — BREAKOUT SESSION 1	
1. Land Supply Chain	C110
2. Maritime Supply Chain	C111
3. Procurement Systems and Supplier Interfaces.	C112
4. Pricing and Contracting Strategies	C114
5. Value Engineering	C115
6. Radio Frequency Identification (RFID) and Packaging and Marking	C121
7. Product Verification Program	C120
8. Maritime Federal Supply Class Supply Chain Partnership	C113
12:00 pm - 1:45 pm — LUNCH WITH SPEAKER	D.II 1.2
Mr. Shay Assad, Director, Defense Procurement, Acquisition Policy and Strategic Sourcing	Ballrooms 1-3
1:45 pm - 3:00 pm — BREAKOUT SESSION 2	
1. Land Supply Chain	C110
2. Maritime Supply Chain	C111
3. Procurement Systems and Supplier Interfaces	C112
4. DFAS Your Financial Partner At Work	C120
5. Surge and Industrial Base Initiatives	C114
6. DLR — Depot Level Reparable	C115
7. Procurement Opportunities For Small Business	C121
8 Radio Frequency Identification (RFID) and Packaging and Marking	C113

## TUESDAY AUGUST 18 2009

1:45 pm - 4:30 pm — CAPABILITY ASSESSMENT BRIEFING.	C123
3:00 pm — BREAK IN EXHIBIT HALL C	
3:15 pm - 4:30 pm — BREAKOUT SESSION 3	
1. Procurement Systems and Supplier Interfaces	C112
2. Pricing and Contracting Strategies	C114
3. Value Engineering	C115
4. DFAS Your Financial Partner At Work	C120
5. Radio Frequency Identification (RFID) and Packaging and Marking	C121
6. Surge and Industrial Base Initiatives.	C110
7. DLR — Depot Level Reparable	C111
8. Maritime Federal Supply Class Supply Chain Partnership	C113
4:30 pm - 5:00 pm — THE AMERICAN BELLES PERFORM IN EXHIBIT HALL "A Special Tribute to The Warfighter and Ice Sculpture Presentation"	
5:00 pm - 6:30 pm — RECEPTION IN EXHIBIT HALL C	
6:30 pm — CONFERENCE ADJOURNS FOR THE DAY; EXHIBIT HALL CLOSES FOR THE DAY	

## WEDNESDAY AUGUST 19 2009

6:45 am - 2:00 pm — ONSITE REGISTRATION OPEN	
6:45 am - 7:45 am — CONTINENTAL BREAKFAST	
7:45 am - 4:00 pm — DSCC NETWORKING	C122
7:45 am — ADMINISTRATIVE REMARKSLCDR James Strauss, SC, USN, Defense Supply Center Columbus	Ballrooms 1-3
8:00 am - 8:45 am — MORNING GUEST SPEAKER Mr. Jeff Dretzka, Vice President of Sales and Marketing, Underground Pipline, Inc. (UPI)	
B:30 am - 12:00 pm — CAPABILITY ASSESSMENT BRIEFING	C123
9:00 am - 10:15 am — BREAKOUT SESSION 1	
1. Land Supply Chain	C110
2. Maritime Supply Chain	C111
3. Procurement Systems and Supplier Interfaces	C112
4. Value Engineering	C115
5. DFAS Your Financial Partner At Work	C120
6. Surge and Industrial Base Initiatives	C114
7. DLR — Depot Level Reparable	C113
8. Product Verification Program	C121

## WEDNESDAY AUGUST 19 2009

 $2:00 \ pm \ - \ CONFERENCE \ ENDS$ 

10:15 am — BREAK IN EXHIBIT HALL C	
10:45 am - 12:00 pm — BREAKOUT SESSION 2	
1. Land Supply Chain.	C110
2. Maritime Supply Chain	C111
3. Pricing and Contracting Strategies.	C112
4. Value Engineering	C115
5. DFAS Your Financial Partner At Work	C120
6. Radio Frequency Identification (RFID) and Packaging and Marking	C112
7. Maritime Federal Supply Class Supply Chain Partnership	C113
8. Procurement Opportunities For Small Business	C121
12:00 pm — EXHIBIT HALL CLOSES	
12:10 pm - 1:10 pm — LUNCH	Ballrooms 1-3
1:10 pm - 1:30 pm — REMARKS BG Thomas J. Richardson, USA, Commander, Defense Supply Center Columbus	
1:35 pm - 2:00 pm — "ASK THE LEADERS"  DSCC Senior Leadership will be available in room C120 to address questions, issues and concerns.	

### **BREAKOUT DESCRIPTIONS**

#### LAND SUPPLY CHAIN

The Defense Supply Center Columbus L a n d - B a s e d Weapon Systems Group will provide an overview on the Vision, Mission & Functions of the Land Supply Chain & Detachments,



Strategic Supply Chain Relationships and an emphasis on Contract Award & Contract Administration. Time is allotted for questions and answers.

#### **MARITIME SUPPLY CHAIN**

The Defense Supply Center Maritime Weapon Systems Group will provide an overview on the Vision, Mission & Functions of the Maritime Supply Chain & Detachments, Strategic Supply Chain Relationships and an emphasis on Contract Award & Contract Administration. Time is allotted for questions and answers.

#### PROCUREMENT SYSTEMS AND SUPPLIER INTERFACES

The Procurement Business Process Support Team from the Defense Supply Center Columbus (DSCC) will provide an overview of the Enterprise Business Systems Procurement tools. The presentation covers electronic initiatives including the DLA Internet Bid Board System (DIBBS), which includes Supplier Requirements Visibility Applications (SRVA), cFolders, DoD EMALL and the Automated Best Value System.

#### **VALUE ENGINEERING**

The Value Management Office at Defense Supply Center Columbus (DSCC) strives to be a premier provider of support and services to the Warfighter by continually seeking to improve the materials and technology available and providing it at the lowest possible cost. This briefing will present all of DSCC's Value Management programs: Source Approval Requests (SARs), Price Challenges, Reverse Engineering, Value Engineering

Projects, Castings and Forgings, Value Engineering Change Proposals, Replenishment Parts Purchase or Borrow, Organic Manufacturing, and Sustaining Engineering. Information provided on each program includes purpose, benefits, processes/procedures used, how contractors/customers initiate projects, examples of completed projects and Points of Contact. Various members of the Value Management Office will be available after the brief for further discussions.

#### DFAS: YOUR FINANCIAL PARTNER AT WORK

The staff of the Defense Finance and Accounting Service of Columbus, Ohio, HQ Defense Contract Management Agency, HQ Defense Logistics Agency, and Defense Supply Center Columbus (DSCC) Policy Office will present a briefing on current strategic initiatives designed to streamline the processing and completion of contract payments. Where used, Wide Area Work Flow (WAWF) virtually eliminates late payments and interest penalties. Vendors save time associated with mailing and processing documents through the Defense Finance and Accounting Service.

#### **SURGE AND INDUSTRIAL BASE INITIATIVES**



The Defense Supply Center Columbus (DSCC) Industrial Capability staff and the Defense National Stockpile Center will present the latest updates to the Surge program and electronic

Capability Assessment Plan, Warstopper Program for industrial investments and material readiness initiatives. New this year is the DLA material readiness initiatives. The staff will present information on two readiness initiatives; Strategic Material Buffer Pilot and Strategic Material Security Program. DLA has established its first material readiness contract to provide materials directly to suppliers through vendor-to-vendor transactions. Procedures for obtaining material releases and requesting assistance will be part of this presentation.

#### **BREAKOUT DESCRIPTIONS**

#### DLR — DEPOT LEVEL REPARABLE

The 2005 Base Realignment and Closure (BRAC) Commission approved the Secretary of Defense recommendation to consolidate the Depot Level Reparable (DLR) procurement management and other related support functions from the Military Service components to the Defense Logistics Agency (DLA). The planning and implementation recommendations have been developed by a Joint Service DLR Working Group comprised of senior DoD procurement officials and senior logisticians from all military components. The myriad tasks associated with DLR procurement management that were developed by this group are as follows: workload planning and transition based on an incremental tiered approach, DLR procurement opportunities, establishment governance financial Information Systems, Human Capital, and Performance Management plans. The BRAC DLR transition began in FY 2008 and will be completed in FY 2011. DLA Mechanicsburg was the first detachment established in November 2008 followed closely by DLA Warren in February, 2009. At this conference, the two Chief Contracting Officers from these new detachments will be discussing the weapon systems their teams support, the products they procure, and the customers they support.

MARITIME FEDERAL SUPPLY CLASS SUPPLY CHAIN PARTNERSHIP (FSC-SCP)



Defense Supply Center Columbus ( D S C C ) Maritime Weapon Systems Group will provide an overview of the

Federal Supply Class Supply Chain Partnership (FSC-SCP) initiative which seeks to place approximately 56,200 National Stock Numbers (NSNs) from Federal Supply Classes (FSCs) 4710, 4720, 4730, 4820, 5330, 5331, 5930, 5935, 5961, 5962 and 6145 on long-term contract. The Request For Proposal (RFP) contains 16 groupings of NSNs which will be awarded separately, of which eight are total small business set-asides and eight are unrestricted. The primary method of support is customer direct shipments in accordance with time definite delivery standards to support CONUS, OCONUS, and FMS demands. The FCS-SCP requires contractors

to perform functions such as individual spare part support, supply chain and inventory management, purchasing, distribution, warehous ing, transportation, and material forecasting.



#### PROCUREMENT OPPORTUNITIES FOR SMALL BUSINESS

Defense Supply Center Columbus (DSCC) Office of Small Business Programs will present a briefing on the types of socio-economic programs set-asides most commonly used at DSCC. Did you know that each



fiscal year there are socioeconomic goals in place and utilizing socio-economic program set-asides assists in reaching those goals? Find out if your small business is eligible to participate in these set aside opportunities. You will have an opportunity to meet the socio-economic

program managers. Come join us for a lively and informative session.

### **BREAKOUT DESCRIPTIONS**

#### PRODUCT VERIFICATION PROGRAM

The Defense Supply Center Columbus Product Verification Office and DLA Product Test Centers will present an overview of the Product Verification

Programs and Product Testing Center laboratory capabilities. This combined effort focuses on ensuring that DLA receives supplies which



conform to contract requirements in support of the warfighter. The Product Verification Office currently administers eight different test programs, requiring an interface with DLA's Product Test Centers. The Product Test Centers provide testing, engineering and calibration services. Detailed services include electrical, chemical, physical and mechanical testing and evaluations on parts, components and end item assemblies. Choosing a testing service can be difficult, but it doesn't have to be. If you're looking for reliable, cost-effective, timely testing, why not consider the Defense Logistics Agency's Product Testing Center?

This presentation is designed to provide the audience with an insight and understanding of DLA's efforts to ensure DLA purchases, stores and delivers products that fully meet our customer requirements. The session will also highlight the capabilities of each of the PTC facilities.

#### PRICING AND CONTRACTING STRATEGIES

The Defense Supply Center Columbus (DSCC) Pricing Office will present an overview of Pricing and Contracting Strategies. Do you wonder what contracting strategies are available to suppliers or what the Government considers adequate proposal packages? Well you definitely need to attend this breakout session. In order to meet the growing and changing demands of the Department of Defense (DoD) customers, the acquisition community continues to develop innovative techniques in contracting. In this breakout session, you will gain insight on adequate proposal packages, the Truth in Negotiations Act.

## RADIO FREQUENCY IDENTIFICATION (RFID) AND PACKAGING AND MARKING

The Defense Supply Center Columbus Policy Office and the Defense Supply Center Columbus Packaging Office will provide information on military packaging and marking requirements for DLA shipments including the latest requirements for heat treatment of wood packing materials (pallets) and Radio Frequency Identification Technology (RFID).



#### **CAPABILITY BRIEFING**

DSCC's Office of Small Business Programs is hosting a series of capability briefings during the Land & Maritime Supply Chains Business Conference & Exhibition. The audience will be DSCC personnel such as Buyers and Contracting Officers, Technical and Quality Specialists, Industrial Specialists, Engineers and Small Business Specialists. Each briefing will be fifteen minutes with five minutes for questions and answers.

These briefings are open to all conference attendees, however space is limited.

## **EXCELLENCE AWARDS**

The Automated Best Value System (ABVS) is a computerized system, which collects a vendor's past performance data and translates it into a numeric score.

ABVS scores range from zero to a perfect score of 100. The Contracting Officer uses these scores as an additional evaluation factor when making best value award decisions.

The DSCC Center Score from the January 5, 2008 monthly update to the January 5, 2009 monthly update was used for selecting the DSCC 2008 Recognition for Excellence Awards. The criteria for this year's selections were:

Level	Contract Lines	Center Score
Gold	50+	100
Silver	50+	99.0 – 99.9
Bronze	50+	98.0 - 98.9

Vendors listed on the following pages are being recognized as Recognition for Excellence Award winners due to their exceptional performance.

#### **GOLD AWARD WINNERS**

AFM Hardware, Inc.

AGM Container Controls, Inc. \*

Allied Marine Services Inc. \*

Centroid Inc. \*

COMSACO Inc. \*

Dare Electronics, Inc. \*

Essex Cryogenics of Mo., Inc. \*

Greenlees Filter LLC \*

Hensley Technologies, Inc. \*

Imperial Wire & Cable Co., Inc. \*

L and M Welding Supply, Inc. \*

Lee Air Company, Inc. 3

Milton Industries, Inc. \*

Northrop Grumman Corporation, Strike and

Surveillance Systems Division,

F/A-18 Program\*

Ontario Knife Company \*

Phaostron Instrument & Electronic Co., Inc.\*

Pima Valve, Inc. \*

Rich Industries \*

Surplus Electrical Innovations, Inc. \*

Technology Research Corporation \*

UCOM Inc. \*

UPI Manufacturing \*

VACCO Industries \*

Williams Aerospace & Manufacturing, Inc. \*

#### SILVER AWARD WINNER

Aerospace Optics, Inc.\*

All Rite Distributing Co., Inc. \*

Aviation Devices and

Electronic Components, LLC \*

Central Ohio Metal Stamping

CNH America LLC

Columbus Industries, LLC

Detroit Switch, Inc. \*

Dimo Corp. \*

Dixie Air Parts Supply \*

Eichenauer Services, Inc. \*

F N Manufacturing, LLC

Highland Engineering, Inc.

Iris Electronics Co., Inc. \*

Jemtec Electronics Corp.

KWAT Enterprises Corp. \*

Lechmotoren US, Inc. 3

LPD Enterprises

Meggitt Airdynamics \*

Michelin Aircraft Tire Company, Inc. \*

MTU Detroit Diesel, Inc.

Nobles Manufacturing, Inc.\*

Right Find, Inc. \*

Sayco Enterprises, Inc.

Spartan Motors Chassis Incorporated

State Electronics Parts Corporation \*

Tiem Engineering Corp. \*

#### **BRONZE AWARD WINNERS**

Blackmer/A Dover Company \*

Brown Helicopter, Inc. \*

Concord Components, Inc.

Moog Flo-Tork \*

Gichner Systems Group, Inc.

Gigli Enterprises, Inc. \*

Herndon Specialty Products LLC

Johnson & Towers

Kidde Aerospace \*

Komatsu America Corp. \*

LBC Aquisitions LLC

Marco Supply Company \*

Michelin North America, Inc.\*

MinnTech Electronics, Inc.

Moog Inc. Salt Lake Operations \*

NOUS III. Sait Lake Operations

NGH Retail, LLC \*

OECO, LLC

OHMCO, LLC

Parasense Inc.

PDI Ground Support System, Inc. \*

Sargent Controls & Aerospace \*

Science Applications International

Corporation (SAIC)

Seacoast Electric Company \*

Shield Technologies Corporation \*

Smith Eastern Corporation \*

Spectrum Industries, Inc.

Steed Electronics, Inc.

TRAC Regulator Co., Inc. \*

Trevose Industrial Products, Inc. \*

TRU Corporation \*

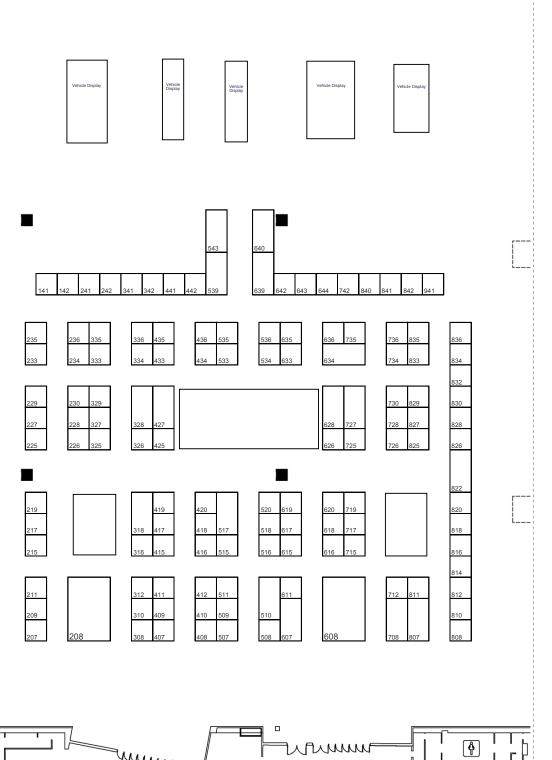
Wamco, Inc. \*

Wire Cloth Filter Manufacturing Company \*

Yaro Supply Company \*

<sup>\*</sup> Previous Award Winners

## **EXHIBIT INFORMATION**



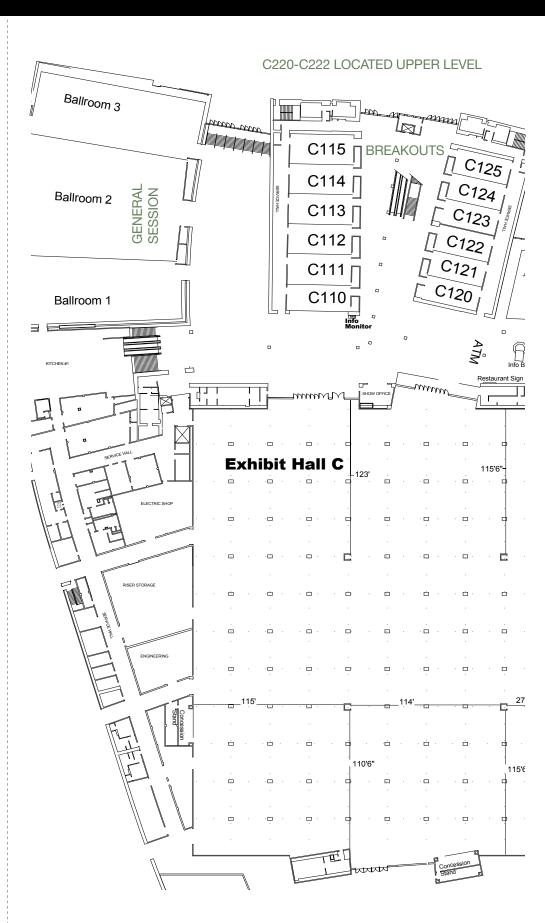
#### 2009 Land & Maritime Exhibitor List (as of 7/31/09)

Exhibiting As	Booth	Number
Accusonic Products		418
Ace Electronics		215
AGH Industries.		516
Agility Defense & Government Services		607
AM General		208
Applied Industrial Technologies		
Aqua-Chem, Inc		427
Argo Turboserve Corporation (ATC)		219
Arlington Machine & Tool Co		725
Aviall Services, Inc.		415
BenchmadeKnifeCompany		
BentleyWorldPackaging		
Boeing		
BRAC		
Bren-Tronics, Inc		
Brighton Cromwell, LLC		
BTMC Corp		
Buffers USA		
Burkard Industries, Inc		
Capitol Supply		
Casting and Forging.		
cFOLDERS		
Cherokee Information Services, Inc		
Clark Manufacturing Co		730
Colfax Corporation		515
Columbus McKinnon Corp		/ng
Concord Components, Inc.		412
Crestwood Technology Group		
Dayton T. Brown, Inc		
DCMA		
DDC		
Defense Contract Audit Agency		
Defense Holdings, Inc		210
Defense Logistics Agency		310
DFAS Department of Finance & Accounting		
DIBBS	Service	es242
DLA Wide Area Workflow (WAWF) Program.		2/1
DoD EMALL		
DP Technology Services, Inc		342
Ducommun Technologies		010
EnerSys.		
Fusion Center.		
Garrity Tool Company		
Grauch Enterprises, Inc		508
Hensley Technologies		
Herndon Products Inc		
Hot & Cold		
IHS, Inc.		
IMT Partnership - PC Forge		

## **FACILITY DIAGRAM**

#### 2009 Land & Maritime Exhibitor List (Cont'd...)

Exhibiting As	Booth Number
Kampi Components	419
Kovatch Castings, Inc	518
Lamlinks Corp	316
Land Customer Ops	543
LandSupply Chain	539
Lockheed Martin	608
MacMotors	
Maritime Customer Ops	
Maritime Supply Chain	639
Marvin Engineering	517
Military Battery Systems, Inc	719
Military Logistics Forum	617
Miller-Holzwarth, Inc	325
Mil-Pac Technology	715
Navistar Defense	807
NobleSales Co., Inc.	
Northrop Grumman, Corp.	
NSN-NOW	
Odyssey RFID	
Ontario Knife Company	
Operations Support (V)	0/1
Optimum Vehicle Logistics	
Oshkosh Corporation	727
Otis Technology, Inc	628
PennDDA-Government Services Dept	520
Procurement ABVS	
Procurement S&S	
Product Testing Center.	
Rockwell Collins	
Rockwell Collins.	409
Saft America, Inc.	
SAIC	
Schwartz Industries	
SimplyRFID	
Small Business	
SMT Corporation	/42
Source Opportunity Booth	0 / 1
Source Opportunity Booth	041
SupplyCore, Inc	
Sussek Machine CorporationTACOM Life Cycle Management Comman	21/
TACOM Life Cycle Management Comman	10329
Tesla Industries	41/
The Cascade Group/Interstate Batteries	
The M&T Company	
The Ulven Companies TW Design & Manufacturing	326
I w Design & Ivianufacturing	814
UCOM, INC	416
Ultralife Corporation	225
Venchurs, Inc	
e	308



## **DIRECTOR, DEFENSE LOGISTICS AGENCY**



VADM ALAN S. THOMPSON, USN Director, Defense Logistics Agency

## VADM ALAN S. THOMPSON, USN Director, Defense Logistics Agency

Vice Admiral Alan S. Thompson became Director of the Defense Logistics Agency in November 2008. As such he is responsible for providing the Army, Navy, Air Force, Marine Corps and other federal agencies with a variety of logistics, acquisition and technical services in peace and war. These services include logistics information, materiel management, procurement, warehousing and distribution of spare parts, food, clothing, medical supplies and fuel, reutilization of surplus military materiel and document automation and production. This worldwide mission is performed by approximately 23,000 civilian and military personnel.

Vice Adm. Thompson graduated with a Bachelor of Arts in economics from UCLA, where he received his commission through the Naval ROTC program in 1976. He also earned a Master of Business Administration from the University of Florida and completed the Columbia University Graduate School of Business Senior Executive Program.

Vice Adm. Thompson has served in a variety of key leadership positions afloat and ashore. At sea, he served as Assistant Supply Officer, USS David R. Ray (DD 971); Supply Officer, USS Chandler (DDG 996); and as Supply Officer, USS Dwight D. Eisenhower (CVN 69).

Ashore, he has served at the Naval Supply Systems Command, the former Naval Aviation Supply Office, Philadelphia; Commander, Naval Air Force, U.S. Pacific Fleet; Naval Air Station, Miramar; and the Office of the Chief of Naval Operations (CNO). He was the Commanding Officer, Fleet and Industrial Supply Center Norfolk and a CNO Fellow on the CNO Strategic Studies Group. Vice Adm. Thompson's Flag assignments included duty as Commander, Defense Supply Center Columbus, Defense Logistics Agency, Director, Supply, Ordnance, and Logistics Operations Division (N41), Office of the CNO, and as Commander, Naval Supply Systems Command and Chief of Supply Corps.

Vice Adm. Thompson's personal awards include the Distinguished Service Medal, Defense Superior Service Medal, three Legions of Merit, four Meritorious Service Medals, two Navy Commendation Medals, the Navy Achievement Medal, and a number of unit and campaign awards. He is a qualified Naval Aviation Supply Officer and Surface Warfare Supply Corps Officer. Vice Adm. Thompson is also a member of the Department of the Navy Acquisition Corps.

# DIRECTOR, DEFENSE PROCUREMENT, ACQUISITION POLICY AND STRATEGIC SOURCING

## MR. SHAY ASSAD Director, Defense Procurement, Acquisition Policy and Strategic Sourcing

Mr. Shay Assad assumed the role of director on April 3, 2006. As the Director of the Defense Procurement Acquisition Policy and Strategic Sourcing (DPAP), he is responsible for all acquisition and procurement policy matters in the Department of Defense (DoD). He serves as the principal advisor to the Under Secretary of Defense for Acquisition, Technology and Logistics (AT&L) and the Defense Acquisition Board on acquisition & procurement strategies for all major weapon systems programs, major automated information systems programs, and services acquisitions. He is responsible for procurement/ sourcing functional business process requirements in the Department's Business Enterprise Architecture (BEA). Mr. Assad is DoD's advisor for competition, source selection, multiyear contracting, warranties, leasing and all international contracting matters. He is the functional leader for the Contracting workforce within the Department of Defense, and he is also responsible for overseeing all Strategic Sourcing activities within the Department of Defense. Before assuming this position, Mr. Assad was the Assistant Deputy Commandant, Installations and Logistics (Contracts), Headquarters, Marine Corps, Washington, D.C. He had held the position as the Marine Corps' senior civilian contracting official since June 2004.

Upon graduating with distinction from the U.S. Naval Academy in 1972, he served two tours of duty aboard U.S. Navy destroyers and won recognition as the Outstanding Junior Officer, Fifth Naval District. He then served as a Naval Procurement Officer at the Naval Sea Systems Command. In 1978, Mr. Assad began working for the Raytheon Company. He was promoted to Vice President Director of Contracts for Raytheon in 1994, and was subsequently promoted to Senior Vice President, Contracts in 1997. As such, he was responsible for the contract negotiation and administration activities (\$20 Billion) in all of Raytheon's businesses – both government and commercial. In addition to his contracting duties, Mr. Assad was given numerous program and business management special assignments by Raytheon's Executive Office. These assignments spanned participation in all three of Raytheon's major operating businesses (Government, Aviation, and Engineering and Construction). In 1998, he was promoted to Executive Vice President and served as the Chief Operating Officer and subsequently, as the Chairman and Chief Executive Officer of Raytheon's Engineering and Construction (RE&C) business with eleven offices worldwide, revenue of \$2.7B and 15,000 employees. He retired from Raytheon in July 2000.

He has received numerous Federal Service awards to include: 1) the Secretary of Defense medal for exceptional civilian service; 2) the Secretary of Defense medal for meritorious service; 3) the Department of Defense Inspector General Joseph H. Sherick Award (the highest honor given to non-IG employees); 4) the 24th Annual Gilbert A. Cuneo Lecturer, and 5) the inaugural recipient of the 2008 Osborne A. "Oz" Day Award as the Federal executive who has done the most to increase the awareness of Ability One employment opportunities for those who are blind or severely disabled.



MR. SHAY ASSAD
Director, Defense Procurement,
Acquisition Policy and Strategic
Sourcing

## VICE PRESIDENT, UPI MANUFACTURING, INC.



MR. JEFFREY D. DRETZKA
Vice President, UPI
Manufacturing, Inc.

## MR. JEFFREY D. DRETZKA Vice President, UPI Manufacturing, Inc.

Jeffrey D. Dretzka is Vice President of UPI Manufacturing in Eagle, WI, a growing contract manufacturing company, specializing in armored vehicle components. Born December 1977 in Wisconsin; Jeff is the youngest of 2 children. Jeff's ambitious business world journey began at the young age of 14, where he started swinging a shovel and operating heavy construction equipment along side his father, Jeffrey J Dretzka at Underground Pipeline, Inc. Working outdoors for twelve years, in Wisconsin weather-above and below ground-has given Jeff his problem solving ability. He maintains, "I don't have problems...I have solutions!"

In October of 2003, Jeff and his father began UPI Manufacturing, adopting the motto: "Deeds not Words". Their passion to protect our brave War Fighters has driven UPI Manufacturing to become a reliable, world class manufacturing company. With the priority of supporting our troops in winning the Global War on Terror, UPI is committed to providing high quality parts and delivering them on time.

Under Jeff's leadership, UPI's operations have increased by over 400% since moving into its new manufacturing facility two years ago. The progressive leadership that Jeff brings has led UPI to being honored with the following achievement awards: 2006, 2007 DSCC Supplier Excellence Gold award, 2007 Wisconsin Minority Small Business Person of the Year award, and 2005, 2008 DLA Innovative Business Performer of the Year Award.

## COMMANDER, DSCC

## BG THOMAS J. RICHARDSON, USA Commander, DSCC

Brigadier General Thomas J. Richardson, USA, assumed Command of Defense Supply Center Columbus on Aug. 6, 2009.

As DSCC's Commander, General Richardson directs the efforts of more than 3,000 associates, at 53 locations worldwide, who perform the functions of purchasing materiel, monitoring inventory levels, maintaining technical data, and assuring quality conformance of more than 2 million spare and repair parts used by more than 24,000 military units and civilian federal agencies. In 2009, DSCC projects sales of \$3.7 billion for FY09 with procurements of \$2.7 billion.

Prior to coming to DSCC, General Richardson was director for Logistics, Engineering and Security Assistance, Headquarters, United States Pacific Command, Camp H.M. Smith, Hawaii.

Brigadier General Richardson began his Army career with a commission in the Quartermaster Corps upon graduation from Stephen F. Austin University, Texas in 1980. He is a graduate of the Army Quartermaster Basic and Advanced courses, Combined Arms and Services Staff School, Army Command and General Staff College, and the Industrial College of the Armed Forces. He holds a bachelor's degree in Business Administration and master's degrees in Military Science and Strategic Resource Management.

General Richardson has served in command and staff positions throughout his career. These include Commander, Alpha Company, 64th Forward Support Battalion, Fort Carson, Colo.; Commander, 296th Forward Support Battalion, 3rd Brigade, 2nd Infantry Division, Fort Lewis, Wash.; Commander, 64th Corps Support Group, Iraq, and Executive Officer to the Deputy Commanding General, Army Materiel Command, Fort Belvoir, Va.

His awards include the Defense Superior Service Medal (1st Oak Leaf Cluster), Legion of Merit (1st Oak Leaf Cluster), Bronze Star Medal, Meritorious Service Medal (3rd Oak Leaf Cluster), Army Commendation Medal (2nd Oak Leaf Cluster), Army Achievement Medal, and the Parachutist Badge.



BG THOMAS J. RICHARDSON, USA Commander, DSCC

## DEPUTY COMMANDER, DSCC



MR. JAMES M. MCCLAUGHERTY
Deputy Commander, DSCC

## MR. JAMES M. MCCLAUGHERTY Deputy Commander, DSCC

James M. McClaugherty is the Deputy Commander of the Defense Supply Center Columbus. As the deputy, he is co-responsible for the operation of the one-square-mile military supply center. This includes the professional activities of DSCC's more than 2,600 associates. He is directly responsible for supply chain functions to include management of more than 2 million spare and repair parts and operating budget of \$2.6 billion. In 2008, the inventory control point's sales were \$3.4 billion and its procurements were in excess of \$2.6 billion. He became Deputy Commander in April 2003.

Born in Charleston W. Va., Mr. McClaugherty grew up in Delaware and Connecticut, and now resides in Westerville, Ohio. A retired Air Force Colonel with 30 years of military service, Mr. McClaugherty earned a bachelor's degree in History from Trinity College, in Hartford, Conn. in 1970, and a master's degree in Logistics Management from the Air Force Institute of Technology at Wright-Patterson AFB, Ohio, in 1979.

His 30-year career included an Air Staff tour in the Pentagon from 1983-1988 and the command of Johnston Atoll in the Pacific Ocean from 1989-1990. At the Air Force Logistics Center, Kelly Air Force Base, San Antonio, Texas, Mr. McClaugherty was the Engine Division Chief from 1990 to 1992, the Director of Commodities from 1992 to 1993, the Director of Propulsion from 1993 to 1994 and the Single Manager for Propulsion from 1994 to 1995. He became the DSCC Director of Readiness and Business Operations from 1995 until his military retirement in 2000. For eight months in 1998 he was the acting Deputy Commander of DSCC.

After his retirement from the Air Force, Mr. McClaugherty accepted the civilian position of deputy director of DSCC's Readiness and Business Operations Office, and in July 2002 became the office's civilian director. In this position, he was the principal staff advisor to the DSCC Commander and Deputy Commander on all aspects of inventory control point plans and operations. He was delegated authority to monitor, oversee, evaluate, and direct the efforts of principal staff elements and five major inventory control point directorates. He held this position until being named DSCC Deputy Commander in April 2003.

His military education includes attending Air Command & Staff College, Maxwell AFB, Ala., 1983; Industrial College of the Armed Forces, Ft. McNair, D.C., 1989; Defense Systems Management College, Ft. Belvoir, Va., 1993; Aspen Leadership Institute, Aspen, CO in 1997; and Leading Change & Organizational Renewal, Harvard Business School, May 2000. His civilian education includes attending the "Leadership for a Democratic Society" at the Federal Executive Institute in 2002.

His awards include two Defense Superior Service Medals, the Legion of Merit and the Airman's Medal for peacetime heroism as well as the Meritorious Civilian Service Award, the Exceptional Civilian Service Award, and the DLA Director's Award for Organizational Excellence.

## **EXECUTIVE DIRECTOR, DSCC**

## MR. MILTON K. LEWIS Executive Director, DSCC

Milton K. Lewis is the Executive Director, Contracting and Acquisition Management at the Defense Supply Center Columbus, Defense Logistics Agency in Columbus, Ohio. DSCC procures in excess of \$2.6 billion annually in spares and other components for the Land and Maritime Supply Chains. Mr. Lewis assumed this position in May 2008.

Mr. Lewis was born in LaGrange, Ga. He is a retired Army colonel with over 29 years of military service. He received his commission as a distinguished military graduate from the Georgia Institute of Technology ROTC program. He holds a Bachelor of Science degree in Chemistry from Morehouse College, Atlanta, and a Master of Science degree in Systems Management from the Florida Institute of Technology, Melbourne, Fla.

Mr. Lewis held a variety of command and staff assignments during his military career. In his final military assignment, he was the Director, Land-Based Weapon System Group with DSCC. Other assignments include: Commander, DCMA Southern Europe, Wiesbaden, Germany; Commander, DCMA Lockheed Martin Vought Systems, Dallas, Texas; Chief, Land-based Weapons System Acquisition Unit, DSCC, Columbus, Ohio; Commander, Logistics Support Activity, Roedelheim, Frankfurt, Germany; Materiel Officer, 32nd Army Air Defense Command, Darmstadt, Germany; and Chief, Contracts Branch, Boeing Field Office, U.S. Army Strategic Defense Command, Seattle, Wa.

Prior to assuming his current position with DSCC, Mr. Lewis was an Acquisition and Logistics Management Consultant for Booz Allen Hamilton, Atlanta. In this position, he was responsible for conducting analysis and developing acquisition, logistics and supply chain management solutions for both government and commercial client organizations. His clients included the U.S. Army Aviation and Missile Command, the United Arab Emirates Armed Forces, the New York Metropolitan Transportation Authority, AgustaWestlandBell, the Defense Logistics Agency, and Bayer MaterialScience.

Mr. Lewis is a graduate of the U.S. Army War College, the U.S. Army Command and General Staff College, and numerous military acquisition and logistics courses, to include the Defense Systems Management College's Program Manager's Course.

His awards and decorations include: the Defense Superior Service Medal (two), the Defense Meritorious Service Medal (two), the Meritorious Service Medal (five), the Army Commendation Medal (two), the Joint Service Achievement, Medal, and the NATO Medal.



MR. MILTON K. LEWIS
Executive Director, DSCC

#### CHIEF OF STAFF, DSCC



Col DANIEL HICKS, USAF Chief of Staff, DSCC

#### Col DANIEL HICKS, USAF Chief of Staff, DSCC

Colonel Daniel K. Hicks is currently the Chief of Staff of Defense Supply Center Columbus.

As Chief of Staff, Colonel Hicks serves as Principle Advisor to the DSCC Commander and Deputy Commander on daily operations and logistics readiness matters. He is also the primary advisor on Defense Logistics Agency (DLA) Land and Maritime Supply Chain Integration plans, policies, practices and procedures. He serves as Chief Operating Officer, with responsibility to monitor, coordinate, and evaluate the direction of all staff elements, directorates, and associate detachments in logistical support of the warfighter. He also conducts liaison with higher and adjacent commands, other DLA elements, and military service counterparts on operational and logistical readiness matters that impact DLA Land and Maritime Demand and Supply Chains.

He leads approximately 2,500 multi-Service military and civilians, O-6/YC-03 and below, including associates in the major functional disciplines involving Supply and Demand Planning, Procurement, Product Assurance, Order Fulfillment, Financial Management, and Analysis.

Colonel Hicks became Chief of Staff in July 2007 upon completion of SDE at Air War College (JPME II), Maxwell Air Force Base, AL. Before that he served as Deputy Commander of the 314th Mission Support Group, 314th Airlift Wing, at Little Rock Air Force Base, AR. Also in 2005, Colonel Hicks served as Commander, of the 376th Expeditionary Logistics Readiness Squadron, 376th Air Expeditionary Wing, at Manas Air Base, Bishkek, Kyrgyzstan. Prior to that he was Commander of the 314th Logistics Readiness Squadron, 314th Airlift Wing, Little Rock Air Force Base, AR.

Colonel Hicks' military education includes Squadron Officer School by correspondence (1987) and in residence (1988); Marine Corps Command and Staff College in residence (1998) and the Marine Corps School of Advanced Warfighting in residence (1999). Col Hicks also completed Air Command and Staff College by seminar in 2000. He is a graduate of the Air War College (correspondence, 2004 and residence, 2007). His civilian education includes earning a bachelor's degree in biology from Cedarville College, Cedarville, Ohio. He earned a Master of Science degree in Logistics Management from the Air Force Institute of Technology and a Master of Strategic Studies from Air University, Maxwell AFB, AL.

His military decorations include the Meritorious Service Medal with five oak leaf clusters.

## **DEPUTY DIRECTOR, DSCC**

## MR. GRIFFIN L. WARREN Deputy Director, DSCC

Griffin L. Warren is the Deputy Director of Business Operations and Readiness and the Deputy Chief of Staff at the Defense Supply Center Columbus in Columbus, Ohio. In this position he is co-responsible for the monitoring, oversight, evaluation and direction of all line and staff functions delivering approximately \$3 billion worth of spare and repair parts to America's warfighters annually. He is a key staff advisor to the center Commander and Deputy Commander regarding the end-to-end management and integration of the agency's Land and Maritime Supply Chains.

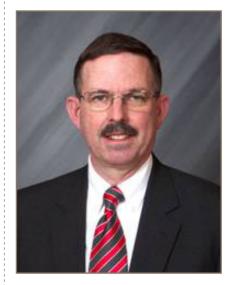
Mr. Warren was born and raised in New Jersey. He is a retired Navy captain, with more than 28 years of active service having received his commission in 1980 from the Navy Officer Candidate School in Newport, R. I. Mr. Warren earned a bachelor's degree in Business Administration from the University of Connecticut in 1980. He is a Distinguished Graduate of the U. S. Naval War College earning a master's degree in International Relations and Strategic Studies in 1994.

During his military career, Mr. Warren served sea tours aboard the USS Dale (CG-19), USS Frank Cable (AS-40), USS Talbot (FFG-4) and USS Luce (DDG-38). His shore tours included assignments to Naval Supply Center, Jacksonville, Fla.; Naval Air Station South Weymouth, Mass.; Navy Supply Systems Command Headquarters, Washington, D.C.; Marine Corps Base, Kaneohe Bay, Hawaii; Navy Supply Information Systems Activity, Mechanicsburg, Pa. and the Headquarters of the U. S. Special Operations Command, Tampa, Fla.

Mr. Warren's Navy career culminated in an assignment as the Director of Supplier Operations for the Maritime Supply Chain at the Defense Supply Center Columbus. In a prior assignment between 1994 and 1997 he was assigned to a number of other line and staff positions at the center. Upon his retirement from the Navy in January 2009, Mr. Warren accepted his current civilian position.

His military awards and decorations include the Legion of Merit, the Defense Meritorious Service Medal (three awards), Navy Meritorious Service Medal (two awards), Navy Commendation Medal (two awards) and Navy Achievement Medal (two awards) in addition to a number of unit and campaign ribbons.

Mr. Warren is married to the former Cindy Moore of Westport, Conn. They are the parents of Thomas and Elsa Warren and make their home in Baltimore, Ohio.



MR. GRIFFIN L. WARREN Deputy Director, DSCC

### **GENERAL INFORMATION**

#### **CONFERENCE ATTIRE**

Civilian Attendees: Business

Military Attendees: Uniform of the day

\*CONFERENCE BADGES MUST BE WORN AT ALL TIMES THROUGHOUT THE CONFERENCE AND IN THE EXHIBIT HALL\*

#### **CONFERENCE MANAGEMENT- NDIA**

Mr. Sam Campagna, Director, Operations

Ms. Kelly Seymour, Meeting Planner

Taryn Crowder, Meeting Planner

Ms. Luellen Hoffman, Director, Exhibits

Mr. Dennis Tharp, Exhibits Manager

#### **CONFERENCE MANAGEMENT- DSCC**

Mr. Stephen E. Rodocker, Director, Procurement Process Support Directorate

Ms. Julie Van Schaik, Deputy Director, Procurement Process Support Directorate

Mr. Michael D. Fauris, Sr., Chief, AcquisitionSupport/Special Programs Division & DSCC Privacy Act Officer

Ms. Regina B. Westbrook, Supervisor of Integrated Supplier Team

Ms. Shelly M. Jenkins, Customer Account Specialist

Mr. Michael J. Morouse, Supervisor of Integrated Supplier Team

Mr. David J. Devine, Supervisor of Integrated Supplier Team

Ms. Pat A. McCreay, Procurement Analyst

Ms. Debra J. Brown, Procurement Analyst

Ms. Laura McLaughlin, Contract Specialist

Mr. Daniel L. Bell, Business And Multimedia Service Manager

Ms. Debra B. Perry, Supervisory Public Affairs Specialist

Ms. Sarah L. Dornon, Management Analyst

Mr. Richard N. Martin, Lead Police Officer

#### PROMOTIONAL PARTNERS



Headquartered in Alexandria, Virginia, Agility Defense & Government Services (DGS) is Agility's public sector arm, providing end-to-end supply chain solutions to meet defense and government customers' needs and quickly move supplies worldwide to remote locations. With access to more than 550 offices in 100 countries, Agility DGS combines a vast network of

warehousing facilities with proven risk-tolerant global land, sea and air transportation capabilities.

Agility DGS offers defense and government customers the convenience of one-stop supply chain solutions and a commitment to quality services. Its customers include the US Defense Logistics Agency (DLA), US Army, US Navy, US Air Force, US Army Air Force Exchange Service and the Department of State.

For more information about Agility Defense & Government Services, visit www.agilitylogistics.com.



Headquartered in Bethesda, MD, Lockheed Martin employs about 140,000 people worldwide and is principally engaged in the research, design, development, manufacture, integration and sustainment of advanced technology systems, products and services.

We deliver global sustainment solutions designed to enhance customer performance, increase system life span and reduce risks, operational costs and logistics response times in military, civil government and commercial programs. Our innovative logistics capabilities are tailored to each organization, ranging from end-to-end logistics to performance based logistics to global supply chain management, including fielded solutions such as SCM+™ (Supply Chain Management Plus) for supply chain management, SILC™ for integrated logistics visibility, I-GUIDES™ for UID compliancy and Adaptive Logistics linking point of effect to the source of supply.

Lockheed Martin has been providing Performance Based Logistics services for many years and understands the unique demands of the military. SCM+™ is the foundation of the performance-based supply chain that successfully delivers aviation tires for both the U.S. Navy and U.S. Air Force. SCM+™ provides integrated, customized supply chain management service. SCM+™ incorporates our expertise with state-of-the-practice software, hardware, and technology and delivers:

- Increased productivity
- Reduced cycle times
- Reduced work-in-process inventory
- Reduced transportation costs
- Optimized inventory levels
- Online collaboration with customers and suppliers
- End-to-end asset visibility

Delivering performance through innovation is critical to Lockheed Martin's commitment to our customers. We deliver mission success for our customers because: We never forget who we're working for. Please visit with us at Booth 515 to learn more about our commitment to partnering for performance in global sustainment.

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Rockwell Collins is a \$4.8 billion business with nearly 20,000 employees in 27 countries with an equal balance between government and commercial business. For 75 years, Rockwell Collins has served the United States military as a provider and maintainer of sophisticated, Rockwell Collins is a \$4.8 billion business with nearly 20,000 employees in 27 countries rugged and reliable electronics equipment, worldwide communications, logistics and

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Rockwell Collins provides customized support solutions ranging from Depot Maintenance Support, material management and simulation training solutions to Integrated Logistics Support (ILS) and worldwide Field Service Engineering (FSE). We provide support that minimizes lifecycle support costs while providing guaranteed performance. Our 60 worldwide locations employ 2,000 dedicated and skilled staff with OEM quality service and field support.

#### Material Management

Rockwell Collins expertise in inventory planning and forecasting provides 24x7x365 support for orders, quote, parts inquiries, publications, software, tailored spares pools, rental exchange, distribution centers and aftermarket equipment including other OEM hardware. Rockwell Collins leverages its worldwide support network spanning the globe.

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Rockwell Collins provides AS9100 compliant repair services for through our U.S. and International Service Centers and Bases with extensive capabilities in the areas of calibration services, maintenance and repair. Lean and Six Sigma execution drives excellence through continuous improvement in to the repair chain.

#### **Global Logistics Support**

FSE and ILS personnel are employed globally. Customer on-site FSEs perform routine maintenance, conduct user training, install new hardware, upgrade software and other functions. ILS personnel provide the 10 elements of logistics developing, planning and integrating both short and long term support considerations to include: maintenance planning, design interface, support equipment analysis, lifecycle cost analysis, provisioning, and PHS&T.

#### Simulation and Training

Rockwell Collins provides military and commercial customers advanced simulation and training solutions ranging from industry leading visual systems to full fight simulators. Rockwell Collins also offers a full range of technical information services, from traditional technical publications to Interactive Electronic Technical Manuals (IETMs).

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Rockvell Collins















- Warfighter Support
- Stewardship Excellence
- Workforce Development









# Land Supply Chain Breakout Session

## **TUESDAY**

Denise Pennington
Tactical Vehicle Support
Division Chief

Linda K. Johnson Combat Vehicle Support Division Chief

## **WEDNESDAY**

LTC Eva McElroy Supplier Support Division Chief

Marty Sass
SMSG
Division Chief

August 18-19, 2009



## Organizational Alignment



D/DD DSCC

DSCP Detachment Roger Dixon

**Land Supplier Operations Directorate** 

**COL Ryan Kivett Mr. Ben Roberts** 

Tactical Vehicle Support Division

**Denise Pennington** 

Combat Vehicles/
Small Arms / Engines
Support Division

Linda K. Johnson

Strategic Material Sourcing Group (SMSG)

**Marty Sass** 

Supplier Support Division

LTC Eva McElroy

**Batteries/Tires Support Division** 

Dan McGrath

Supplier Relationship Management (SRM)

**Tiffany Givens-Barnett** 



## **Land Supplier Operations Directorate (DSCC-FL)**





**COL** Ryan Kivett Director DSCC-FL (Incoming 1 SEPT)



Mr. Benedict (Ben) Roberts **Deputy Director** DSCC-FL

- To provide acquisition, focused supply and logistics support to America's Armed Forces in peace and war, around the clock, around the world...with emphasis on the readiness of the Land-Based Weapon Systems.
- The six multi-functional divisions within DSCC-FL are responsible for integrated logistics operations to include contracting, engineering and technical analysis, contract administration and management support.
- Land Supplier Operations provides supply chain management for land-based weapon systems to the full range of military customers. DSCC professionals perform a variety of supply chain processes, including supply planning, product assurance, and procurement. Each year, Land Supplier Operations has \$1.8 billion in sales, executes over 400,000 contract award actions to 5,000 suppliers, and fulfills approximately 3 million customer orders.

Our organizational structure is composed of six divisions and one detachment (Land Philly)



# Tactical Vehicle Support Division





FLB
Denise Pennington
Division Chief



FLBB Vehicle Support Team I IST Ken Abrams



FLBC Vehicle Support Team II IST Janice Harrell



FLBD MRAP IST Sherry Wellmer

#### Mission:

 Responsible for all integrated logistics support for tactical wheeled vehicles

- Vehicle Maintenance/Service Kits
- Cadillac Gage Textron sole source items
- Caterpillar sole source items
- MRAP Unique items



# Tactical Vehicle Support Team I





FLBB Vehicle Support Team I Ken Abrams



FLBB
Vehicle Support Team I
Lead Acquisition
Rick Matz



FLBB
Vehicle Support Team I
Lead Inventory
Janice Bichon



FLBB Lead Product Assurance Mohammed Cisse

- FSCs: 100+
- Major FSC assignments include:
   2510, 2520, 2530, 2540, 2590, 2940
- Workforce: 37 professionals
- NSN's Managed: 32,159
- Purchase Requests: approx. 1700
- Customer Sales Orders: 220K per yr
- Annual Sales: \$200M+

#### Mission:

 Responsible for all integrated logistics support for tactical wheeled and support vehicles

- Vehicle Maintenance/Service Kits
- MRAP Common items
- Vehicle Cab Body Frame Structural Components
- Vehicle Power Transmission Components
- Vehicle Brake Steering Axle Wheel Components



## Tactical Vehicle Support Team II





FLBC Vehicle Support Team II IST Janice Harrell



FLBC Vehicle Support Team II Lead Product Assurance Cyd Parks



FLBC
Vehicle Support Team II IST
Lead Invemtory
Donna Clark



FLBC
Vehicle Support Team II IST
Lead Acquisition
Kathi Morouse

- FSCs: 150+
- Major FSC assignments include:
   2510, 2520, 2530, 2590, 2940
- Workforce: 37 professionals
- NSN's Managed: 37,720
- Purchase Requests: approx. 1900
- Customer Sales Orders: 199.8K per yr
- Annual Sales: \$98.4M

#### Mission:

 Responsible for all integrated logistics support for tactical wheeled and support vehicles

- Vehicle Maintenance/Service Kits
- Cadillac Gage Textron sole source items
- Caterpillar sole source items
- Vehicle Components including Cab, Body, Frame, Structural, Transmission, Brake, Steering Axle, Wheel, Furniture and Accessories



# Mine Resistant Ambush Protective (MRAP)







FLBD MRAP IST Sherry Wellmer



FLBD MRAP Team Lead Acquisition Kenton Smith



FLBD MRAP Team Lead Inventory Renee Day



FLBD MRAP Team Lead Product Assurance Eric Forson

- FSCs: 164+
- Major FSC assignments include:
   2510, 2520, 2530, 2540, 2590, 2940
- Workforce: 79 professionals
- NSN's Managed: 12,500
- Purchase Requests: 5,700
- Customer Sales Orders: 200K per yr
- Annual Sales: \$200M

#### Mission:

 Responsible for all integrated logistics support for MRAP unique items and Route Clearance Vehicles (RCV)

- Sole source MRAP unique items
- Fire suppression
- Suspension
- Air Conditioning parts



# **Batteries/Tires Division**





FLC
Dan McGrath
Division Chief



FLCA
Batteries IST (Pre-Award)
John Lidonnice



FLCB Tires Team Chief Phillip Ludwig



FLCB
Tire Integrated Supply Team
Lori Archibald

#### Mission:

 Responsible for all integrated logistics support for all DLA managed tires, tire products, and various batteries used in multiple weapons systems

- Execute best value decisions related to procurement actions and actively engage with supplier base to reduce logistics response time and backorders.
- Proactive efforts are underway to assess high demand items for adequate long-term contract coverage



## **Batteries**





FLCA
Batteries IST (Pre-Award)
John Lidonnice



FLCA
Batteries Support Team
Lead Product Assurance
Ben Breen



FLCA
Batteries Support Team
Lead Inventory
Randy Crace



FLCA
Batteries Support Team
Lead Acquisition
Len Bussard

• FSC's Managed: 6135, 6140, 6160, 6650

NSN's Managed: 7,667

Purchase Requests: 1,302

# Suppliers: 368

Orders received : 108K per yr

Annual Sales: \$215.5M

#### Mission:

- Acquisition Support
- Engineering Support
- Site Technical Support

#### Transfer of Batteries from DSCR to DSCC:

- Transition occurred 13 Apr 09
- DSCC/Services Meeting held 11 Feb 09
- Coordination with the ESAs
- MOAs
- Seamless Transition
- Continuity of Operations



# Tires Integrated Support Team





FLCB Tires Team Chief Phillip Ludwig



FLCB Tire Integrated Supply Team Lori Archibald

FSC's Managed: 2510, 2520, 2530, 2540, 2590, 2620, 4910

NSN's Managed : 1,007Purchase Requests: 65

# Suppliers: 64

Orders received : 51K+ per yr

Annual Sales: \$200.4M

#### Mission:

- Responsible for all integrated logistics support for all DLA managed tires (aircraft and land), tire associated products (valves, inner tubes, etc) and spare parts (rims, runflats, etc) associated with land vehicle wheel assemblies
  - Supports high priority weapon systems including F-16, C130, MRAP, HMMWV, FMTV, HEMTT, etc.
  - Includes administration of two contracts that completely privatize the supply chain for Tires as per BRAC 2005

#### Focus Areas:

 Partner with the Privatization contractor, Michelin North America, and Military Customers to gather and utilize information to aid the privatization contractor in the effective forecasting and demand planning of tires and ultimately timely support to the Warfighter



# Combat Vehicle Support Division





FLD Linda K. Johnson Division Chief



FLDD Wheeled Vehicles IST Mike Morouse



FLDA/FLDC
Combat Vehicle/Armament IST
Renee Magill



FLDB Engines IST Bob Heine

- Maintain spare parts support for a wide variety of tactical wheeled vehicles
  - Includes the HMMWV, FMTV, HEMTT and MRAP
  - Included in this population are 6,452 items that are mapped to SCA's for Oshkosh, AMG. BAE and Detroit Diesel
- Customer Pay/Integrated Logistics Partnership
  - HMMWV RECAP/RESET lines at RRAD, LEAD, and MMA
- Individual and Crew Served weapons support
  - Includes the M2, M240, Howitzers, and Grenade Launchers
- Combat Vehicle & Armament spare parts support for tracked vehicles
  - Includes M1 Abrams tank, M2/M3 Bradley tanks and the M88 recovery vehicle
- Responsible for engine support
- Partner with Land Customer Operations, Army customer support representatives and industry to coordinate proper forecasting to ensure procurement actions support depot programs and military operational requirements



## Wheeled Vehicles





FLDD Wheeled Vehicles IST Mike Morouse



FLDD IST Team Lead Inventory Michelle Goodson



FLDD IST Team Customer Pay Myisha Sears



FLDD IST Team Lead Product Assurance Marty Stratmoen



FLDD
IST Team (Pre-Award)
Lead Acquisition
Kelly Cottongim

• FSCs: 2510, 2590

NSN's Managed: 30,050

Stocked: 10,050 Customer Direct: 19,725

Purchase Requests: 4,871

Large purchases: 107 Small purchases: 4,764

Customer orders received: 555K per yr

Annual Sales: \$411.2M

Suppliers: 602

#### Mission/Focus Areas:

 Primary point of contact for Customer Pay/Integrated Logistics Partnership items. Resolves issues and take preventative measures for the 715 items

#### **Current CP initiatives:**

- Pending induction of the UAH M1151 Model into the RECAP lines
- Mapping of all CP processes both internal and external Challenges:
- Conversion of RECAP lines at depots to M1151 (UAH) variant.
- Supporting new ILP customer at Barstow



## **Combat Vehicle/Armament**





FLDA/FLDC Combat Vehicle/Armament IST Renee Magill



FLDA
IST Team (Pre-Award)
Lead Acquisition
April Charlton



FLDA
IST Team
Lead Product Assurance
Jeffrey Hutcheson



FLDA IST Team Lead Inventory Teresa Harris

- Small Arms FSCs: 1005, 1095, 1010
- Combat Vehicles FSCs: 2510, 2520, 2530, 2540, 2590, 3040, 4720,
- NSN's Managed: 37,231
  - Stocked: 9,809 Customer Direct: 27,422
- Purchase Requests: 2,442
  - Large: 100 Small: 2,342
- Orders received: 150K per year
- Annual Sales: \$145.5M
- Suppliers: 687

#### Mission/Focus Areas:

- Focused on improving overall product quality and contract performance on combat vehicle and small arms procurements.
  - Includes improved and current Technical Data Packages, Product Verification Testing, and adherence to MIL-STD-16232

#### Challenges:

- M2 Kit Management
- Process changes
- Significant Product, Technical, Quality and Inspection/Acceptance Requirements



## **Engines**





FLDB Engines IST Bob Heine



FLDB IST Team Lead Product Assurance James Jarvis



FLDB IST Team (Pre-Award) Lead Acquisition Mindy Tisone



FLDB IST Team Lead Inventory Johana Maisonave

- FSCs: 1045, 1075, 1090, 2520, 2805, 2815, 2910, 2920, 2930, 2990, 3030
- NSNs Managed: 72,760
  - Stocked: 16,605 Customer Direct: 56,155
- Purchase Requests: 2,235
  - Large: 61 Small: 2,174
- Orders received: 164K per yr
- Annual Sales: \$108.1M
- Suppliers: 705

#### Mission/Focus Area

 The mission of the Engines IST is the management of Class IX engine components and accessories

#### Challenges:

 The major challenge facing the Engines IST is the procurement of parts for vehicles that are no longer in production or have exceeded their anticipated service dates



# Strategic Material Sourcing Group (SMSG)





FLG Marty Sass Division Chief



FLGA SRM Procurement Bill Winegarner



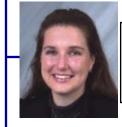
FLGB Tailored Support Charles Sharp



FLGG MRAP LTC Mary Jo Coffey



FLGC Long Term Contracts Cindy Nevin



FLGCA Long Term Contracts (Admin) Emily Call



FLGF Emall Tony Griffin

- Execute all Tailored Support Initiatives (FASI, Tires Successor, IPV, EMALL, etc.)
- Formulate multiple NSNs into Family Groupings to award on Long Term Contract (SMS, MRAP, etc.)
- Coordinate and award Supply Chain corporate contracts
- Perform all Basic Contract Administration for the Land Directorate LTCs



FLGD IPV Shirley Spratt



## **FY10 SMSG Strategy**



Objective: Key business drivers on long-term contract Prioritized approach to project selection

## **Target Population:**

- FSC 1005 Small Arms
- FSCs 2540, 2590 Vehicle Components
- Batteries
- Tire Products
- Weapon Systems
- MRAP- FSS NSNs, AC Parts,
   Suspension Parts, Sole Source NSNs
- FASI-G and IPV Add-Ons (Subcontract Opportunities)
- SRM Contractors Sole Source Adds
- Various Sole Source and Competitive NSNs
- NEW EMALL Solicitation





## **FY10 SMSG Strategy**



## Additional Long Term Contract (LTC) Action

## **NEW EMALL Solicitation:**

- Multiple Award Schedules
- Off-The-Shelf, Finished Goods From The Commercial Marketplace
- DLA Assigned Item Classes Only
- Solicitation Target Mid-Oct 2009







## **MRAP Phase 3 - LTC Plan**



## Step 1 – Ongoing

- Sources Sought/Broad Agency Announcement to Solicit Breakout Suppliers – Re-Issued 3 Times - See Value Eng Booth
- Receive Results of Various OEM Provisioning Conferences
- Assigned Technical Personnel to Review Responses, Coordinate with Army/Marine Corps and Update Federal Catalog

### Step 2 – ECD Dec 2009

- Award New and Add-On MRAP LTC Projects ECD Dec 2009
- Special Assignment Buyer Resources to Work

## Step 3 – Ongoing

- Upon Award of New LTCs Identify and Execute NSN Add-On Actions
- Analyze MRAP NSN Population for New LTC Potential



# Supply Relationship Management





FLGE Tiffany Givens-Barnett Division Chief



FLGE Supply Relationship Manager Julie Miller



FLGE Supply Relationship Manager Maggie Mickey



FLGE
Supply Relationship
Manager
Pauline Buck

#### Mission:

 The SMSG SRM procurement Team in FLG and SRM Contract Admin Team in FLS support the Land SC SRM mission by singling up Basic Contract Admin (LTCs) and Contract Administration personnel for the 20 companies with SRM focus.

#### **Current Alliances:**

#### **SSAs**

- AM General
- Oshkosh Truck
- BAE Systems Land & Armament
- GDLS-Canada

#### **SCAs**

- BAE-Fairfield (Armor Holdings)
- BAE-Sealy
- Badger Truck
- SAIC
- Caterpillar
- Cummins Engine
- GDLS
- FN Manufacturing
- Systems Land & Armament
- GDLS-Canada
- Wheler Brothers

BTMC



# Supply Relationship Management



#### Priorities/Projects:

- Alliances with Strategic or High Volume Suppliers
  - 4 Strategic Supplier Alliances with OEMs
  - 16 Supply Chain Alliances Strategic Suppliers or High Volume Dealers/Distributors
- Key Improvement Opportunities specific to each company:
  - Increase LTCs coverage
  - Reduce PLT, ALT, Pricing
  - Demand Planning/Future Forecast Collaboration
  - Backorder Reduction

#### **Ancillary Projects:**

 DLR/BRAC Coordination for Service Items on Key Suppliers

#### Stakeholder Interactions:

- Regular Communication/Problem-Solving via Working Groups/Improvement Teams
- Monthly Open Order Reports Line of Balance for Priorities
- Shared Communications with Customers (TACOM), ISTs, WSSMs, Land DCO
- Monthly Performance Metrics ALT, PLT, LTC Obs, Line Fill Rate, Qty Fill Rate, Unfilled Orders
- Improved Customer and Weapons System Support
- Incorporation of MRAP into Supplier LTCs

#### Challenges:

 Coordinated prioritization of GWOT support while dealing with surging demands and supplier capacity constraints

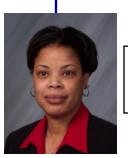


## **Supplier Support Division**





FLS LTC Eva McElroy Division Chief



FLSA Shared Services IST Tanya Merritt



FLSE
Post Award Contract
Administration IST
Heath Berkshire

#### Mission:

- Support Emergency Procurement Requirements
- Supports Army Industrial sites with procurement and quality requirement (Forward and Customer Pay/ILP)

- Emergency Buying Team (E-Buy)
- Forward Presence
- Engineering Support
- Non-NSN
- Post Award Contract Management



## **Shared Services**





FLSA Shared Services IST Tanya Merritt



FLSAB
Supervisory Contract
Specialist (Pre-Award)
Linda Allensworth



FLSAC
Supervisory Contract
Specialist (Pre-Award)
Mechelle Vandermolen



FLSAD
IST Product Specialist
Supervisor
Don Robinette

- Emergency Buy, Non-NSN, and Forward Execution Acquisition
  - Supporting customers in theater and stateside with procurements of Non-NSN and NSN items
  - Forward Execution Team is integrated with customers located at RRAD, TYAD, LEAD, MCLB, MCLA, ANAD
  - Forward Execution Team has captured \$6,671,495 in sales since inception in July 2008
  - Non-NSN Team
    - Purchase Requests: 1319
    - Annual Sales: \$69.7M
    - Orders received: 82K+ per year
    - Suppliers: 250
- Engineering Support
  - Liaison between DSCC product specialists and ESA including technical reviews, development of new sources
- Forward Presence Product Specialists
  - Assist with technical reviews at forward locations, clear PQDRs, liaison with product specialists of record



## Post Award Contract Administration





FLSE
Post Award Contract
Administration IST
Heath Berkshire



FLSEA
Post Award Team I
Acting Supervisory Contract Specialist
Julie Searcy



FLSEC
Post Award Team II
Supervisory Contract Specialist
Jackie Maurer



FLSEB
Supervisory Contract
Specialist SRM (Post-Award)
Gerald Roush

Open Orders: 32,000

Suppliers: 1700+

#### Mission:

 Performs contract administration for the Land Directorate of Supplier Operations

#### Objectives:

- Prioritize Open Orders for contractors (i.e. any order not fully received)
  - Reduce and prevent backorders
  - Assure contractor focus is aligned with customer needs
  - Streamline contractor and government communication
  - Reduce delinquencies

# Maritime Supplier Operations Break-Out Session

































## Agenda



- Maritime Supply Chain Overview
- Post Award Overview
- Emergency Buy Team Overview
- Supplier Relationship Management
- Open Dialogue



## Maritime Supplier Ops At a Glance



## **What**

**1.75M Items** 

\$1.3 B Sales

- Mechanical
   Pumps, Compressors
   Valves, Hose & Tube,
   Fittings, Bearings,
   Packing & Gaskets
- Electrical
   Wire & cable, switches,
   relays, transformers,
   antennas, resistors,
   microcircuits

## **From**

5,014 Suppliers

- Manufacturers
   Marotta (Valves)
   York (Compressors)
   Raytheon (Electronics)
   Amphenol (Connectors)
- DealersLarge Dealer Network

## <u>By</u>

223K Contract Actions Worth \$1.5B

825~ Employees
 19 Integrated Supplier Teams
 2 Sites



# Maritime Supplier Ops Organization



DSCC

BG Patricia E. McQuistion, USA, Commander
Mr. James McClaugherty, Deputy Commander
Mr. Milton Lewis, Executive Director, Contracting and
Acquisition Management

Maritime Detachment
Philadelphia
Roger Dixon, Director

ISTs

Maritime Supplier Operations
CAPT Roland Wadge, Director
Ms. Pat Shields, Deputy Director
CDR David Peters, Deputy Director
Support
Division

SMSG



# EBS Roles, Responsibilities & Functions



## Integrated Supplier Team (IST) ... Basic Organizational Unit

- Product Specialists: What to buy?
- Supply Planners: How many and when to buy?
- Pre Award Acquisition Specialists: Execute the buy and assure delivery!

## Strategic Material Sourcing Group

Long Term Contracting (LTC): Multi-NSNs & Corporate Contracts

## **Supplier Support Division**

- "Emergency Buying Team" for our customers' most urgent needs
- Manages PACE for all DSCC
- Centralized management of solicitation and award of Auto IDPOs
- Shared Services support for all of Maritime



## Post-Award



- Supplier Support Division Chief David Glasscoe
- Maritime Contract Administration Chiefs –
   Stephanie McCormick and Kelly Penwell
- Supervisor Sue Coyer
- Supervisor Myrtice Gray
- Supervisor Hiram Maisonave
- Supervisor Gary Meyer
- Supervisor Temika Morris
- Supervisor Jeff West
- Analyst Chris Watson
- Each supervisor has a team consisting of approximately 14 contract administrators, purchasing agents and acquisition support technicians.



## Post-Award



- Centralized Post-Award Branch for Contract Administration matters.
- Maritime Columbus Administrators organized by state and/or CAGE code.
- Special team of "expediters" working emergencies and backorder issues. They are also assigned specific states or CAGE codes.
- Dedicated group of Administrators for the Navy Nuclear Reactor Program (21N). Material Availability must be kept at 95% or above for this program. We need your help to accomplish this goal.
- Dedicated group working quality notifications for Maritime and Land.
- Emphasis on monitoring Key Item Drivers (KID) 1-4 and Delinquencies.
- Our Goal: Be reasonable but demanding customers on behalf of the American tax payers and provide exceptional support to the Warfighter.



## Maritime Columbus Emergency Buy Team (EBT)



## Partnering with You for Emergency Support

#### Team:

IST Chief – Ed Wingo

**Core Team Supervisors – Tom Comeans and Paula Webb** 

**General EBT Support – Tom Comeans** 

- Emergency Buyers: Keith Couser, Jim Donnelly, Rosa Poole, Jerry Quinn, Denny Wondal, Richard Bebel (Post-Award Administrator)
- Mission: Complete Emergency (Basic Definition Below) Customer-Direct Buys for items managed by Maritime Supplier Ops
  - All Customer Priority 01 Customer Direct Buys
- Highest Priority Customer Priority 02 & 03 CD Buys (Proj Cd; RDD)

#### **Dedicated/Premium EBT Support – Paula Webb**

Emergency Buyers: Marvin Horton, Henrietta Jones, Amanda Pontia, Lisa Thompson, Brian Walker, Kim Watson, Todd Manning

Mission: Dedicated E-Buy Support to 3 Shipyards and the Navy PMO



# Strategic Material Sourcing Group (SMSG)



#### What we do:

- Determine optimal contracting strategy for Maritime Supply Chain NSNs
- Award and manage multiple NSN long-term contracts to maximize long-term contract coverage of strategic material sourcing (SMS) NSNs
- Execute contracting actions in support of Strategic Supplier Alliances (SSAs) and Supply Chain Alliances (SCAs)
- Optimize relationships with key suppliers through SRM



## Maritime SMSG Tailored Initiatives



**H2O Purification Initiative** 

**Background: Fully integrated logistics support for Water Purification** 

customers in support of ROWPU, TWPS and LWP

100% small business set aside.

Scope: Customer-Direct support ROWPU, TWPS and LWP NIINs/PNs

NIINs	Est ADV
3,320	\$19M
1,894 P/Ns	Unknown

Status: The solicitation opened July 17th and closes on August 28th



## Maritime SMSG Tailored Initiatives



**Maritime FSC-SCP Initiative** 

**Background: Contracting for Supply Chain Management of high demand** 

and high value NSNs in the 4710, 4720, 4730, 4820, 5330,

5331, 5930, 5935, 5961, 5962, and 6145 FSCs. NSNs

organized into sixteen groupings by FSC(s), 8 Set-Aside

and 8 Unrestricted.

Scope: Primarily customer direct support within Time Definite

**Delivery standards.** 

NIINs Est ADV 56,214 \$413M

Status: Solicitation documents under review at DLA HQ.



## Supplier Relationship Management Initiative



## Depot Level Repairables (DLR)

Develop a Strategy to Partner with our DLR Attachments in facing similar suppliers

- Analyze service spend for DLR NIINs
- Match DLA spend with DLR forecast
- Where applicable explore joint solutions



## Supplier Relationship Management Initiatives



## **HM&E Standardization**

- Drive Standardization through commodity contracts available to commercial industry
- Collaborative effort NAVICP/DLA
- First Phase Standard Navy Valves
   Release one awarded gate valve 27 NSNs
   Release two 460 standard valves, offers
   under evaluation
- Next Phase Circuit breakers





## **Open Dialogue**





# **Story Board Charts**



#### **Active Devices Division**



(Division 2)

#### **Division Chief: Ernie Reid**

#### **Integrated Supplier Team Chiefs**

Electronic Assemblies and Transformers: Lisa Ohl

Microcircuits & Semiconductors DMS: Evan Baisden

Non-Powered Valves: Anthony Carrico

#### **Top Federal Supply Classes**

FSC Nomenclature	<u>Sales</u>
4820 Valves, Non-Powered	\$146,249,496
5998 Electrical and Electronic Assemblies	\$ 40,282,147
5960 Electron Tubes and Associated Hardware	\$ 31,037,709

Data is from a 12 month period: June 2008 through June 2009



#### **Electrical Devices Division**

Performance DSC Pay Transformation Culture

(Division 3)

#### **Division Chief: Rochelle Anderson**

**Integrated Supply Team Chiefs** 

Connectors: Rocky Sunday

Relays, Wire, & Cable: Dave Devine

Switches & Raytheon: Regina Westbrook

Powered Valves, Marine Hardware, & Nuclear Reactors Program: Joey Smith

FSC Nomenclature	<u>Sales</u>
5930 Switches	\$105,487,543
5935 Connectors, Electric	\$ 78,407,337
4810 Valves, Powered	\$ 71,389,887
5945 Relays and Solenoids	\$ 60,853,015
2040 Marine Hardware and Hulling	\$ 15,062,634



# **Electronics, Pumps & Compressors Division**



(Division 5)

#### **Division Chief: CDR Aaron Potter**

#### **Integrated Supply Team Chiefs**

Antennas, Fuses, & Circuit Breakers: Kathy Brewster

Fire Control & Fiber Optics: Tom Bunnell

Pumps & Compressors: Latricia Wilson

FSC Nomenclature	<u>Sales</u>
5985 Antennas, Waveguides & Related Equipment	\$131,336,572
4320 Power and Hand Pumps	\$ 71,225,585
4330 Centrifugal, Separators and Pressure & Vacuum Filters	\$ 45,742,725



# **Fluid Handling Division**

Performance DSC Plans to Internation Present the Best Culture

(Division 1)

#### **Division Chief: Linda McCarty**

**Integrated Supply Team Chiefs** 

Fittings: David McGraw

Flexible Hoses & Tubing: Anita Luich (Deployed) LCDR Jim Strauss

(Acting)

Pipes & Tubing: Debbie Robinson

FSC Nomenclature	<u>Sales</u>
4730 Fitting and Adaptors	\$130,674,685
4720 Hose and Flexible Tubing	\$101,818,988
4710 Pipes and Tubing	\$ 71,874,293



# Power Transmission & Hardware/Electrical



(Division 4)

#### **Division Chief: Diane Circle**

**Integrated Supply Team Chiefs** 

Motors & Mechanical Components: Mike Rush

Power Transmission Equipment: Chrissy Schall

Hardware/Electrical: Karen Kramer

FSC No	<u>omenclature</u>	<u>Sales</u>
6105/30	10 Motors & Mechanical Components	\$ 40,348,327/23,326,913
3040	<b>Power Transmission Equipment</b>	\$122,150,175
<b>5950</b>	Hardware/Electrical	\$ 27,267,709



# Strategic Material Sourcing Group



### **Chief: Kelly Vingle**

Mission: Strategic Material Sourcing

**Function:** 

- Determine optimal contracting strategy for Maritime Supply Chain NSNs
- Award long-term contracts including corporate and prime vendor contracts
- Maximize long-term contract coverage of strategic material sourcing (SMS)
   NSNs
- Execute contracting actions in support of SSAs and SCAs
- Optimize relationships with key suppliers through SRM

Strategic Sourcing Branch Chiefs: Kreston Harris, Nicole Hammond-Mann, Jeff Dixius

Supplier Relationship Management Branch: Bruce Shively, Lead SRM Donna Ramsey, SRM



# Strategic Material Sourcing Group



Strategic Sourcing Branches

Branch Chiefs: Kreston Harris & Nicole Hammond-Mann

Award multiple NSN long-term and corporate contracts

**Branch Chief: Jeff Dixius** 

Determine groupings of NSNs for long-term contracts; review technical and quality data; perform contract administration on multi-NSN long-term contracts

#### Supplier Relationship Management Branch

Lead SRM: Bruce Shively

SRM: Donna Ramsey

Manage relationships with key suppliers via Strategic Supplier Alliances (SSAs) and Supply Chain Alliances (SCAs); coordinate with ISTs to develop solutions to process issues that may impact customer support



### Supplier Support Division



#### Division Chief: David Glasscoe

Mission: Support for Maritime Supplier Operations

Function: Oversee Automated Indefinite Delivery Purchase Orders (AutoIDPOs), emergency buys, automated contracting, shared services, quality notification resolution and contract administration Branch Chiefs:

AutoIDPOs, Emergency Buy Team (EBT), Procurement Automated Contracting Evaluation (PACE): Ed Wingo

Contract Administration: Stephanie McCormick and Kelly Penwell

**Shared Services: David Anders** 

Contract Quality Management: Rick Lennon



### **Supplier Support Division**



# Emergency Buy, PACE, & AutoIDPO Branch Branch Chief: Ed Wingo

Emergency Buy Team Supervisor – Tom Comeans and Paula Webb

Customer-Direct Buys for our customers' most urgent requirements

PACE & AutoIDPO Team Supervisor – Susan Knisley

Procurement Automated Contracting Evaluation (PACE): Manage PACE automated solicitations and awards up to \$100,000

Automated Indefinite Delivery Purchase Orders (AutoIDPOs):

- AutoIDPOs are valid for up to two years or \$100,000.
- Manage solicitation and award of all AutoIDPO instruments



### **Supplier Support Division**



Contract Administration Branch
Branch Chief: Stephanie McCormick and Kelly Penwell

Post Award Supervisors - Sue Coyer, Myrtice Gray, Gary Meyer, Jeff West, Temika Morris and Hiram Maisonave

- Responsible for all post award issues related to existing contracts assigned to Maritime Supplier Operations. Proactively work delinquency, backorder and special project reports.
- The workload is assigned by state or cage code. SSA/SCA suppliers are assigned to specific administrators.
- Coordinate with supply planners, product specialists, resolution specialists, legal, DFAS, and DCMA to resolve issues.





# Procurement Systems and Supplier Interfaces

Ken Rumbaugh
DSCC Systems and Procedures Division



# Agenda



- Enterprise Business Systems (EBS) Overview:
   Ken Rumbaugh
- DLA Internet Bid Board System (DIBBS):
   Alan Searfoss & Patrice Francis
- Automated Indefinite Delivery Purchase Orders (AIDPO): Tammy Solt
- cFolders: Ken Adkins
- DOD EMALL: Tony Griffin
- Automated Best Value System (ABVS) & Past Performance Information Retrieval System (PPIRS): Pat McCreay





# **Enterprise Business Systems**

Ken Rumbaugh
DSCC Systems and Procedures Division



# **EBS IT Components**



EBS Program
Primary Components

#### SAP

- Order Fulfillment
- Procurement
- Financial Management
- Tech Quality

#### **DPACS Suite**

- Solicit
- Award
- Report

#### manugistics

- Demand Planning
- Supply Planning
- Collaborate

**BI** Reports







DPACS



DIBBS/ PACE



# Information Resources



DLA BSM Website:

www.dla.mil/j-6/bsm

BSM Suppler Information Resource Center:

www.dla.mil/j-6/bsm/sirc





# DLA Internet Bid Board System (DIBBS)

Alan Searfoss / Patrice Francis

DSCC Systems and Procedures Division



#### **DIBBS Web Address**



All DLA solicitations and awards are available on one web site:

DLA EBS DIBBS

https://www.dibbs.bsm.dla.mil/



# **DIBBS Functionality**



- View RFQs and submit quotes
- View RFPs Includes Long-Term Contracts, manual IDPOs & EMALL opportunities
- Access award information (includes Fast PACE)
- View provisions & clauses
- Link to technical data (cFolders)
- Link to the Automated Best Value System (ABVS)
   (Performance scores used in award decisions)
- Access to Acquisition Forecasts Supplier Requirements Visibility Application (SRVA)



#### Supplier Requirements Visibility Application (SRVA)



- Provides 24 months of sole source and competitive Projected Purchase Order (PPO) quantities
- Non DLA users access:
   <u>https://www.dibbs.bsm.dla.mil/</u> (User ID and Password required)
- Data refreshed by the second week of each month
- Easily search DLA PPO Quantity for up to 150 National Item Identification Numbers (NIINs) or by Federal Stock Class (FSC)



# **DIBBS** Changes



#### Recent Changes

Microsoft Office 2007

#### Future Changes

- EProcurement
- Password Changes FY10



### Microsoft Office 2007



- Attachments to RFQs, RFPs Awards or Mods
- Microsoft Word Suffix .docx
- Microsoft Excel Suffix .xlsx
- Free patch if using Office 2000 or 2003

http://www.microsoft.com/downloads/details.aspx?displaylang =en&FamilyID=941b3470-3ae9-4aee-8f43c6bb74cd1466#QuickInfoContainerfound



### DLA EBS DIBBS



# **DEMO**





# Automated Indefinite Delivery Purchase Order (AutoIDPO)

Tammy Solt
DSCC Systems and Procedures Division



#### AutoIDPOs in EBS



# Indefinite quantity contract using simplified acquisition procedures

- \$100,000 limit, potential 2 year contract
- First Delivery Order (DO) <u>anticipated</u>
   approximately 90 days after issuance of
   AutoIDPO solicitation (minimum obligation)



#### **AutoIDPO Characteristics**



AutoIDPO solicitations are identified with a "U" and an "Alpha" in the 9<sup>th</sup> and 10<sup>th</sup> positions of the solicitation number

- 90 day quote validity period
- Solicited on DIBBS for 21 days
- Closing time = 2pm EST
- Zone pricing (2 Zones)
- Government ranges and alternate ranges



#### **AutoIDPO Awards**



- The AutoIDPO agreement will be issued with a "D" in the ninth position, a "5," "6" or "7" in the tenth position, and an alpha in the eleventh position of the PIIN
- The basic award and first DO will be posted to DIBBS simultaneously



### **AutoIDPO Final Thoughts**



- Demo
  - https://www.dibbs.bsm.dla.mil/
  - Open up an AutoIDPO solicitation. If red quote button is available you can still quote - even if solicitation closing date is past.
- Future in EProcurement







#### **cFolders**

Ken Adkins

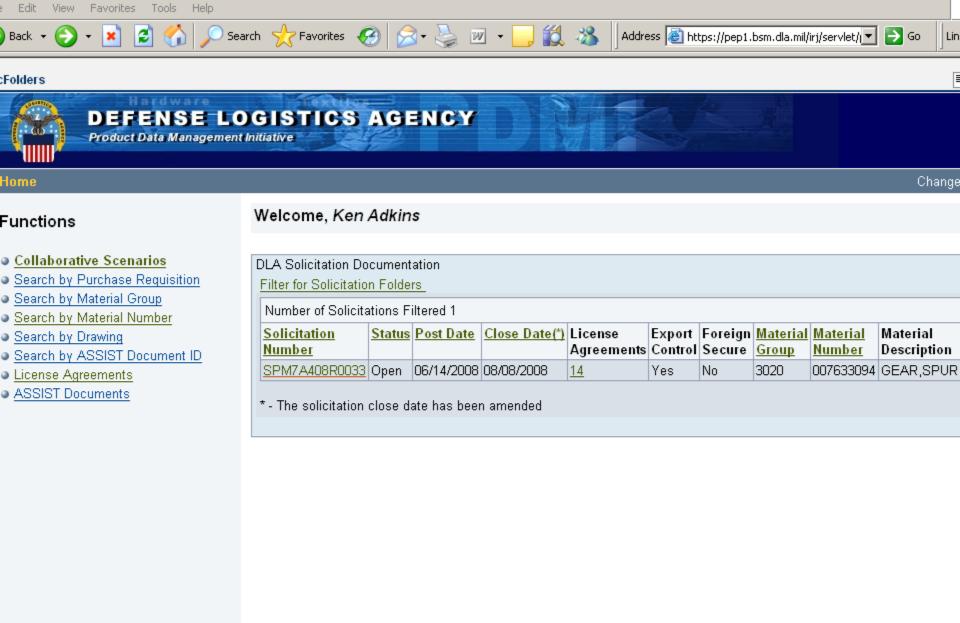
DSCC Logistics Support Office

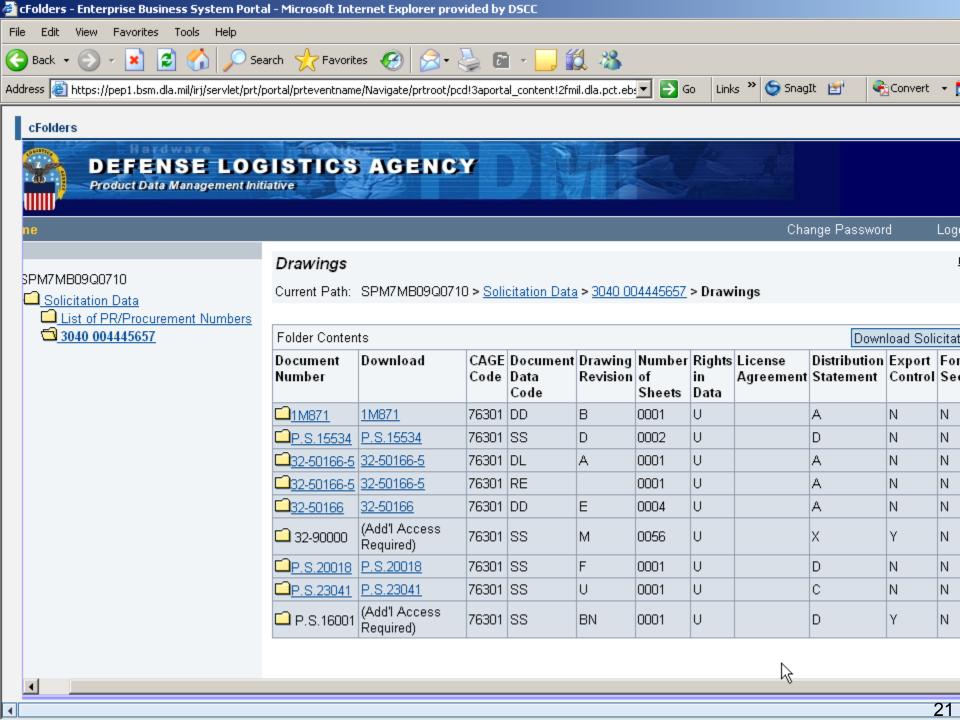


# **cFolders**



- Suppliers can access cFolders via a link within the solicitation in DIBBS or directly through the cFolders link: <a href="https://pcf1.bsm.dla.mil/cfolders/">https://pcf1.bsm.dla.mil/cfolders/</a>
- Some drawings are restricted and require supplier eligibility documentation.
- Suppliers have the ability to download license agreement application forms via a link on the cFolders Homepage







# cFolders Help



Access, Password or System Issues:

cFolders Helpdesk (804) 279-4357

Drawing Related Issues:

L & M cFolders Admin Team

Email: cddwgs@dla.mil



### **DOD EMALL Contracting**









1st Choice Support for the Warfighter



#### Why DOD EMALL?



 The Department of Defense Electronic Mall (DOD EMALL) functions as a single entry point for DOD customers seeking to acquire off-theshelf, finished goods from the commercial marketplace. DOD EMALL is an internet-based ordering service that allows DOD and other federal customers to "shop" for products from a variety of sources based on price, delivery, product description and vendor performance.





#### **DOD EMALL Solicitation**



# Solicitation/Proposal Submittals to Contract Award

In the Aug/Sept timeframe, EMALL will issue a solicitation for a Multiple Award Schedule (MAS), Long-Term Indefinite Delivery/Indefinite Quantity (IDIQ) type contracts

This solicitation is for DLA assigned Federal Supply Groups (FSGs) and Commercial Classification that include the following categories of items (See Next)

Page):



The solicitation is for firmfixed-price contracts with economic price adjustment for acquiring commercial off-the-shelf items. The contract ceiling price is \$5,000,000 (five million dollars). The contract is for two basic years with options to extend the contract for eight additional years in two-year increments. All proposals must submit catalog data in an electronic media (Excel spreadsheet on CD preferred).



#### **Commercial Item Catagories**

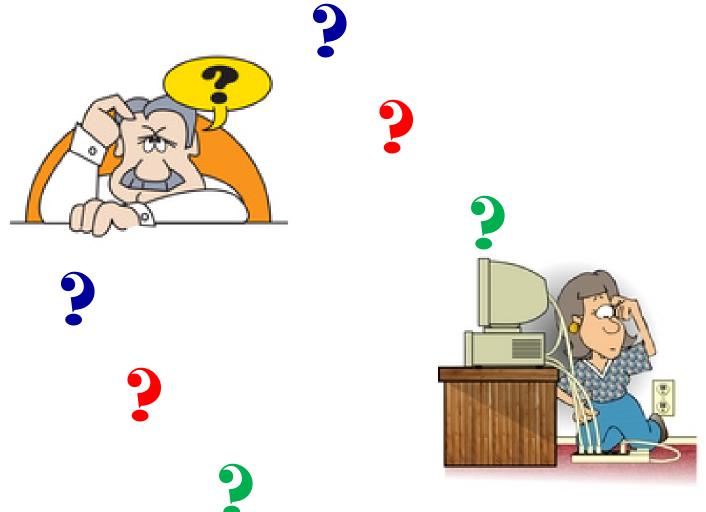


Commercial Coatings; Adhesives/Sealants/Lubricants and Fuel Additives; Hardware Components; Telephone and Telegraph Equipment; Tools, Tool Kits and Tool Boxes; Industrial Machinery; Defense and Law Enforcement / Security and Safety Equipment Supplies; Commercial Military/Private Vehicle Components and Accessories; Cleaning Equipment; Apparel and Luggage/Personal Care Products; Distribution /Conditioning Systems /Equipment and Components; Material Handling/Conditioning and Storage Machinery and their Accessories and Supplies; Medical Equipment and Accessories and Supplies; Packing and Gasket Materials; Electrical/Systems/Lighting and Components/Accessories and Supplies; Electronic Components and Supplies; Clothing, Special Purpose; Airframe Structural Components; Aircraft Hydraulic, Vacuum and De-icing System Components; Aircraft Air Conditioning, Heat and Pressurizing Equipment; Miscellaneous Aircraft Accessories and Components.



### **DOD EMALL - Questions**









# Automated Best Value System/ Past Performance Information Retrieval System

Pat McCreay

DSCC Systems and Procedures Division



#### Agenda



- History and explanation of ABVS
- Current status of ABVS/Enterprise Business System(EBS)
- Current status of ABVS/ Past Performance Information Retrieval System (PPIRS)



#### **ABVS Background**



- ABVS began in 1995
- Definition: a computerized system which collects contractors' existing past performance data and translates it into numeric scores; contracting officers use these scores (historical performance) as an additional evaluation factor when making best value award decisions



#### **ABVS Objectives**



- Translate past performance (quality and delivery) into meaningful numeric scores
- Score all contractors based on past performance history
- Buyers make a comparative assessment of evaluated price, quoted delivery and past performance
- Promote Best Value Award decisions
  - Buy smarter



#### **General Information**



- Updates occur daily
- Vendor views his own negative performance data and scores on ABVS website which is password protected
- Vendor may only challenge data through the appropriate ABVS office
- Website:
  - http://www.dscr.dla.mil/proc/abvm/abvm.htm
  - Where you see: Click here to obtain your ABVS data, click on the word here



#### **ABVS Current Status**



- As daily shipping and/or receipt transactions post EBS performance data is refreshed and flows into ABVS
- Negative performance data is on the ABVS website, in a preview window for contractor review and challenge opportunity, prior to calculation in vendor score
- Data can still be challenged even if data has moved out of the preview and into the rating



#### **Contractor Participation**



Vendors are strongly encouraged to review their performance data and contact ABVS administrators to resolve:

- Ship dates not posting to contract line items
- Any quality or packaging deficiencies or
- Questions on scores



# Transitioning from ABVS to PPIRS-SR



- The Department of Defense has endorsed the Past Performance Information System (PPIRS) as the single authorized system for the receipt and retrieval of contractor past performance data for DoD acquisitions.
- Full PPIRS-SR implementation will be in concert with the deployment of the EProcurement targeted for 2010.
- Given the scope of DLA's impending EProcurement implementation, ABVS will be utilized as a proxy to PPIRS-SR.
- Additional past performace guidance is available in the Defense Logisitics Agency Directive DLAD 52.215-9022 (JAN 2009)



#### PPIRS-SR



- Contractors must be registered in the Central Contractor Registration (CCR) at <a href="http://www.ccr.gov">http://www.ccr.gov</a> and obtain a Marketing Partner Identification Number (MPIN) to gain access their PPIRS data
- Details to establish a PPIRS-SR account can be found at <a href="http://www.ppirs.gov">http://www.ppirs.gov</a>



#### **Vendor Past Performance**



- PPIRS registration will enable vendors to access their delivery score and quality classification and any negative data, listed by the Federal Supply Class (FSC)
- PPIRS records maybe challenged, if data needs correction
- Your record challenge sends an email to the Government POC at the appropriate supply command; DSCC, DSCP or DSCR



#### **ABVS** Team



#### <u>Administrators</u>

Telephone #

 Patricia McCreay patricia.mccreay@dla.mil
 Team Leader 614-692-3383

 Debra Brown debra.j.brown@dla.mil 614-692-1381

FAX

614-692-4170

We prefer challenges to be scanned to: dsccabvs@dla.mil



# Points of Contact at DSCR and DSCP



DSCR

Carolyn Harris 804-279-6431 phone

804-279-5042 fax

email address: dscrabvs@dla.mil

DSCP

Tim Atwell 215-737-7844 phone

215-737-7949 fax

email address: dscpabvs@dla.mil





# Questions???







# Value Engineering Tools for Contractor Support

Dwayne Porter Castings and Forgings 614-692-8857/DSN 850-8857

Steve Gomez Value Engineering Proposals 614-692-7308/DSN 850-7308



### **Agenda**



- Castings & Forgings Assistance Tools
- Value Engineering Change Proposals (VECP's)
- Replenishment Parts Purchase or Borrow (RPPOB)
- Sustaining Engineering (SE)
- Additional VM Programs Managed at DSCC
- New Initiatives
- Summary
- Value Engineering Program Points of Contact





# DSCC Casting and Forging Assistance Tools





Maritime & Land Forging And Casting Team



#### DSCC's MetaLFACT Team



- Provides casting & forging assistance
- MetaLFACT is comprised of Government and Industry representation
- MetaLFACT is a resource available to the following
  - DSCC Personnel: Product Specialists, Buyers, Planners
  - Engineering Support Activities (ESAs)
  - Contractors/Suppliers
    - With active DSCC contracts (w/Contracting Officers' approval)
    - Bidding on open DSCC solicitations
- Tools to provide assistance







## Cast Tooling Database



#### www.defensetooling.com

- Population
  - 120 companies
  - 18,600 tooling records
- Utilized by Supply Centers
- Assist defense contractors in finding tooling
  - 50% success rate of matching inquiries to patterns/suppliers
- Company notified each time gov't buying parts for which they have tooling
- \$1.5 million in orders directed to participants each month







#### **Success Stories**



#### Linking DLA Needs to Capable Metalcasters

- Latch Bar Assembly: Sole Sourced
- Prior contract: 15,000 @ \$47.49/ea.
- Foundry bids direct: 12,000 @ \$37.50/ea.
- Contract award for 16,000: \$159,840 in cost savings

#### Linking Defense Contractors to Foundries with Tooling

- Detent Lever Bracket: Aluminum Sand Casting
- Previous Buy June 1985: Contractor no longer exists
- DLA Solicitation on May 2008: Qty. 161
- Contractor inquiry through Tooling Database Website
- Tooling located at foundry
- Contractor bid and awarded



## Casting Suppliers Database

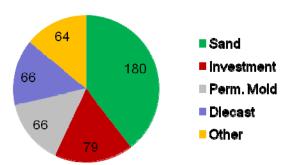


Culture

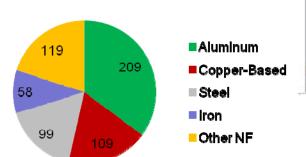
#### www.defensecastingsuppliers.com

- Online directory of metalcasters serving the defense industry
- Utilized by government and defense contractors
- 256 Registered Metalcasters
  - All Processes & Materials
- Casting bid solicitations matched to plant capabilities

#### **Casting Processes**



#### **Casting Materials**





-Select State(s) "And" Returns suppliers who meet ALL criteria Federal Classification SA Program Participant Guns over 30 mm up to 75 mm (1010) Minority Owned Ques 75 mm through 125 mm (1016) DBA Certified Hubcone Firm Guns over 125 mm through 150 mm (102) ☐ Small Business ions over 150 mm through 200 mm (1025) Small Disadigntaged Business ☐ Valurat Owned Chemical weapons & equipment (1040) ☐ Woman Owned Launchers, forgedo & depth charge (1045) Launchers, grenade, rocket & pyrotectivic (1055) Casting Processes Centrifusal Dimensional Inspection Discusting Heat Treat Engineering & Design Investment Uguit Penetrart Magnetic Particle Fermanent Wold Painting Pattern Shop Placter Rough Finish Machining Surface Treatments Squeate/Sami-Sold ☐ V-Process



# Foundry Toolkit for Gov't Business



#### www.defensecastingtoolkit.com

- Online source assists suppliers to
  - Learn DLA e-commerce processes
  - Establish required supplier accounts
    - View solicitations
    - Access tech data packages
    - Submit quotes
  - Understand procurement process
  - Locate pre- and post-award assistance
- Find Business Opportunities



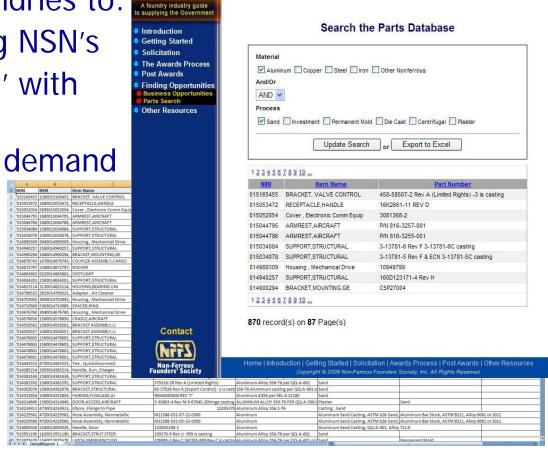


### Identifying Opportunities \_



#### Defensecastingtoolkit.com/partsearch.htm

- Part search database
- Online source assists foundries to:
  - Quickly identify casting NSN's
  - Associate 'prospect list' with DIBBS user account
  - Determine anticipated demand
- Leverages CAST-IT, DSCR & DSCC databases
- 7,000+ casting NSN's
- Routinely updated





# National Forging Tooling Database (NFTD)

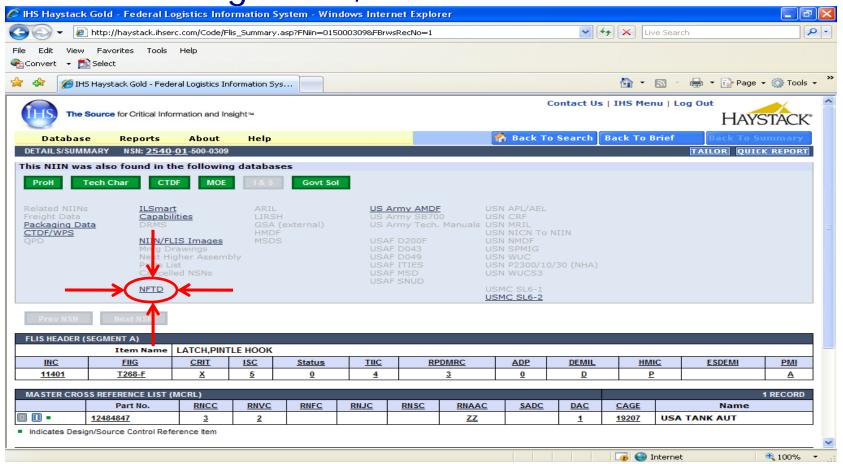


- Purpose
  - Rapidly locate forging dies for legacy weapon systems
- Benefits
  - Web base database
    - Locates forging dies and suppliers
    - Widely accessible through Haystack Gold
  - Reduces ALT and PLT
  - Avoids costs of designing/building new dies
    - Huge benefit for small order sizes
  - Sustainable beyond the life of the FAST Program



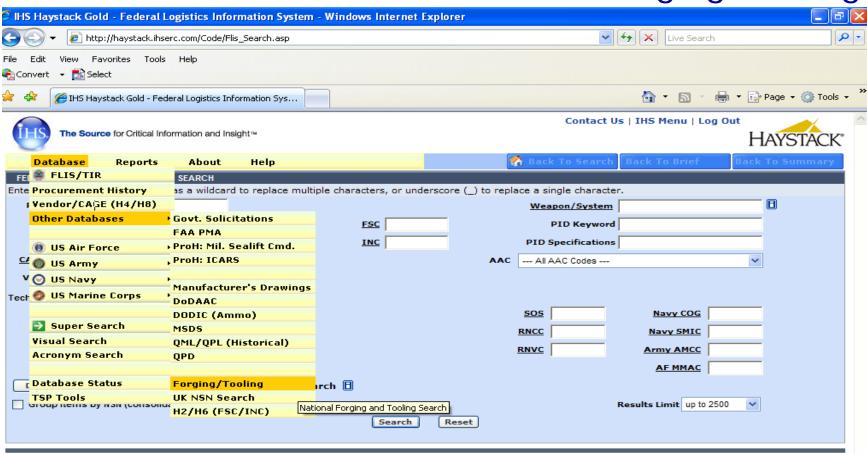


- Log into Haystack Gold
- Search for part on main screen by NIIN
- If tooling exists, select the NFTD link





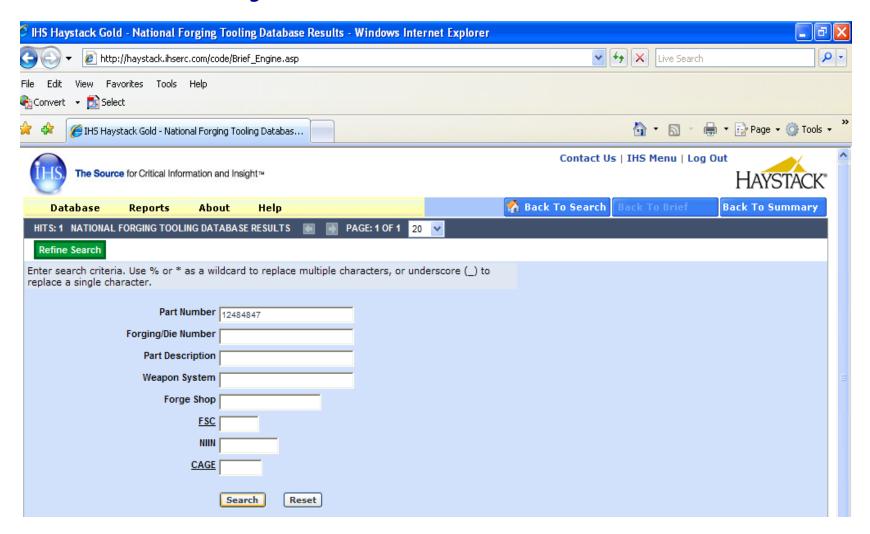
- Alternate Method: Log into Haystack Gold
- Select the Database drop-down menu
- Select "Other Databases", then "Forging/Tooling"







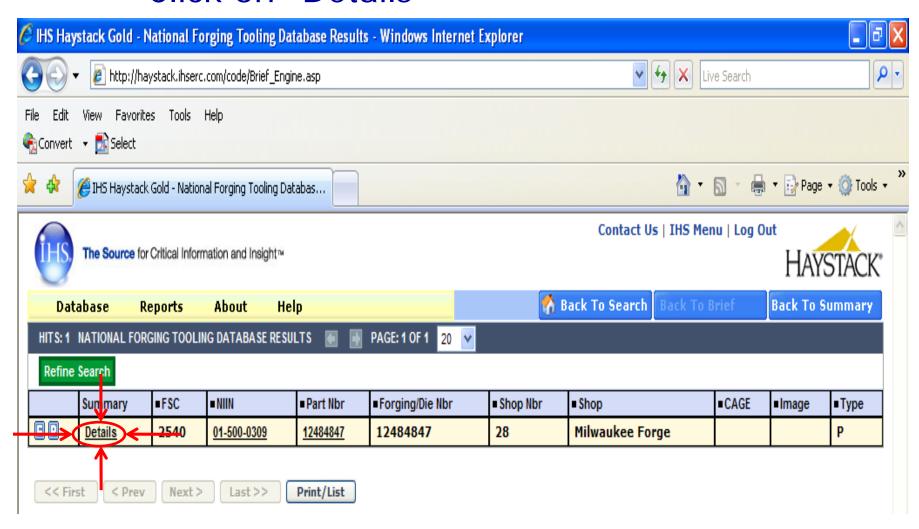
Search by Part Number or NSN







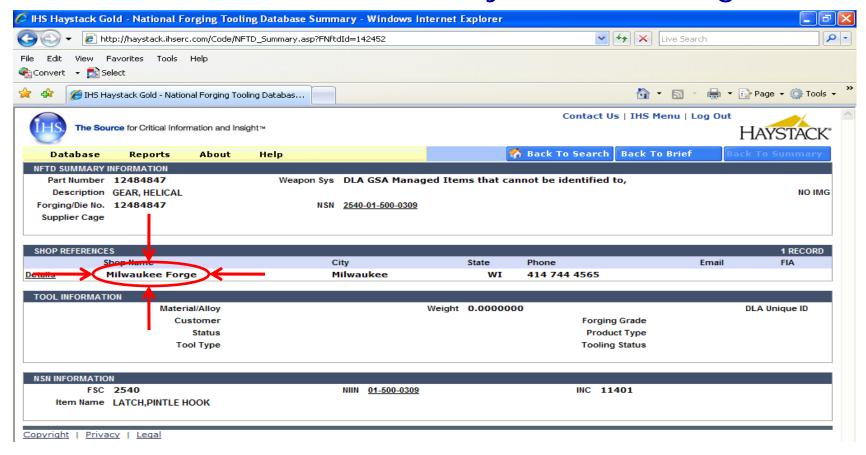
Click on "Details"







- Screen shows last known location of tooling
- Contact company to verify the existence, condition, and availability of the tooling.



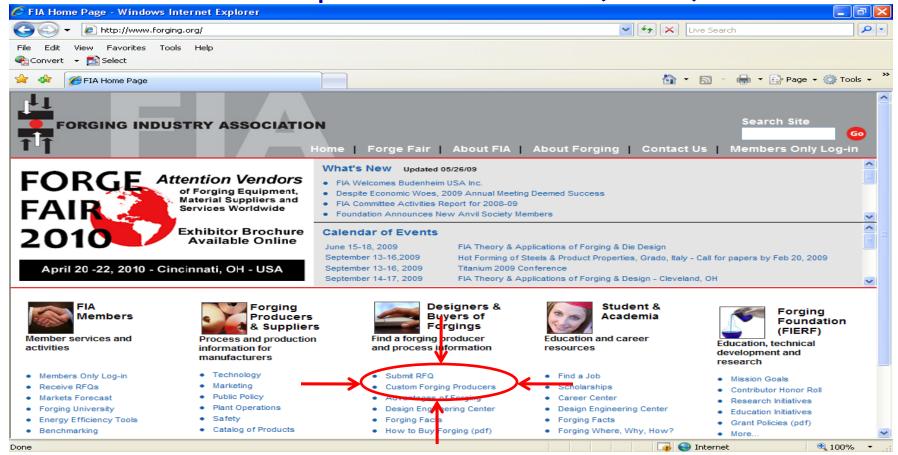


# Forging Industry Association Website

#### http://www.forging.org

Culture

- Locate Forge Shops
- Submit Request for Quotes (RFQs)

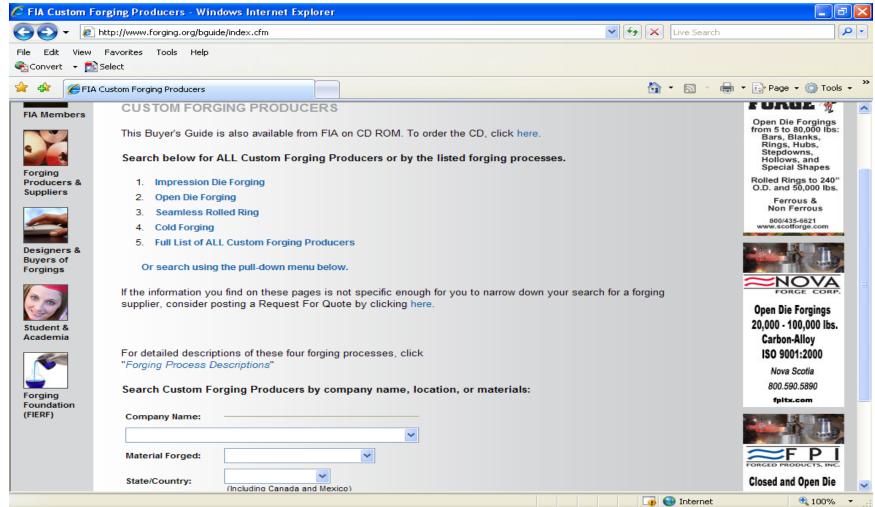




# Find a Forging Source Using FIA Website



Search for a forge based on process, location, or type of metal being procured



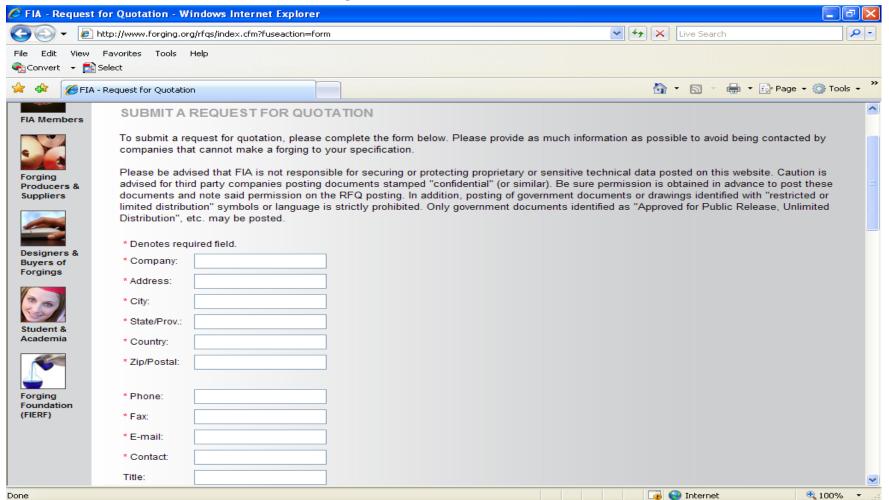


# Submit RFQ Through FIA Website



Fill out all required fields and submit.

RFQ will notify 118 FIA members.







# <u>Value Engineering Change</u> <u>Proposals</u>

**VECPs** 



# Value Engineering Change **Proposals**



- Contractual method to share savings
  - Improve DoD supplies and/or equipment
  - Savings shared between Contractor and DoD
  - Described in FAR Clause 52.248.1
- Improvements include any price savings
  - **Processes**
  - **Materials**
  - Manufacturing techniques
  - Other





#### **Rules and Tools**



- VECP clause in all DSCC contracts>\$25K
- Clause can be added by modification
- VECP can only be received on an instant contract
- Typical share ratio: 50/50
- Collateral lifecycle savings may be negotiated





# Replenishment Parts Purchase or Borrow Program

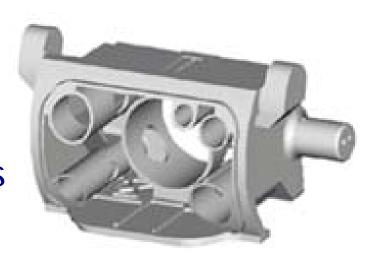
**RPPOB** 



# Why RPPOB



- Statutory Requirement
  - Defense Procurement Reform Act of 1984
    - Public Law 98-525, Section 1216(a)
    - Codified at Title 10 U.S.C. 2320(B)
- Promote full and open competition
- Develop new sources
  - Sole Source
  - Limited Competition Items





### **RPPOB Methods**



- Direct Purchase
  - Contractor buys at Standard Unit Price (SUP)
  - Item is not returned
- Bailment
  - Item loaned at SUP
  - SUP held in Trust by DFAS
  - SUP monies returned
    - If item is returned in "A" condition
- View of Part
  - Contractors may inspect part in a designated area





### RPPOB – What it is Not



- Not intended to proof their manufacturing
- Not available on solicitations/contracts when:
  - In accordance with a specification
  - In accordance with a drawing
- Not to test a competitor's part



# Purpose: Develop New Sources



#### **RPPOB Process**



- Contractor request received
- Item reviewed as an RPPOB candidate
- Contact with ESA for approval to bail out
- Contractor provides monies and signs the agreement
- Item directly sent to Contractor
- Contractor provides alternate offer data package
- Data package sent to ESA for final approval
- System updated with approval



#### Benefits of RPPOB



- Break Sole Source
  - Average 30-40% in procurement savings
- Provide additional sources on limited source items
- Provide source for obsolete items
- Reduce cost through enhanced competition
- Potential for Unlimited Rights Technical Data Packages (TDPs)





# Sustaining Engineering Program

SE



# Sustaining Engineering



- Improve/upgrade DLA-managed items
  - New technology
  - Quality/reliability improvements
  - Ease of maintenance improvements
  - Improve logistics footprint
- Save money!!
- Relatively new program at DSCC
  - Initiated in Jan 04
  - Focus on Land and Maritime items





# Sustaining Engineering



- Proposals solicited from all services
- Proposals evaluated by DSCC team
  - Value Management Team lead
  - Weapon System Support Manager (WSSM)
  - Cognizant Maritime/Land Application Team
    - Engineer/technical
    - Product Assurance
    - Buyer
- Selections funded/implemented in order of
  - Date of receipt
  - Weapon system support impact
  - Overall best value to customer
- Accepted proposals funded by DSCC
  - Coordinated with ESA
  - Funds available FY09: \$5M





# **Project Selection Criteria**



- DLA/DSCC managed item
- Minimum ROI of 10:1
  - Lifecycle savings
- Make positive impact
  - Operational readiness
  - ALT/PLT
  - Item demand
  - Unit price
- Reduce field maintenance actions
- Improve competitive position
  - Availability of tech data
  - Increase sources of supply





# Aviation Ground Power Unit (AGPU) Exhaust



NSN 2990-01-325-1868

- AGPU used by Army Aviation
- Redesign AGPU exhaust to eliminate heat traps and improve fuel consumption.
- Benefits include:
  - Increased turbine life cycle
  - Reduced maintenance actions
  - Lower fuel costs
  - Gov't owned Technical Data Package
  - Reduced field demands
- Project proposed and managed by Aerospace Ground Support Equipment Directorate at Redstone Arsenal



Investment: \$736K

ROI: 23:1

Project Savings: \$16.8M



#### M224 Mortar



#### NSN 1005-00-903-0933

- Revise drawings/TDP's for 28 DSCC managed NSN's used in M224
  - All approved ECP's
  - Current tolerancing/dimensioning conventions (ANSI Y14.5)
  - Current process specifications for materials, platings, and coatings
- Benefits include:
  - Complete gov't owned TDP's
  - Improved competition
  - Reduced deviation/waiver requests
  - Reduced procurement support costs/lead times
- Project proposed and managed by Benet Laboratory, the design control activity for M224



Investment: \$92K

ROI: 31:1

Project Savings: \$1.2M





# Additional Value Management Programs Managed at DSCC



# Additional VM Programs



#### Price Challenge Program

- Responsive to customer suspicion of overpricing
- Determine value using tech data, buy history, and similar items
- Provide recommendation when overpricing is discovered
- Corrective action taken to improve pricing or recover funds

#### **Should Cost Program**

- Engineering Intrinsic Value Cost Estimate
  - Materials and labor
  - Testing
  - Packaging
  - Manufacturing Charges
  - Overhead and Profit
- Assists Contracting Officers during procurement negotiations





# **Additional VM Programs**



#### Reverse Engineering

- Performed using Gov't resources
- Items ordered from Gov't stock
- Identifies physical, material, mechanical, and environmental properties
- Test requirements identified/determined
- Technical Data Package developed for use in full and open competitive acquisition



#### Organic Manufacturing

- Utilize manufacturing capacity of government labs/arsenals when private industry cannot meet our needs
- Public (organic) and Private sources cannot compete against each other for awards!
  - Exceptions:
    - **Price**: quoted price is <u>formally</u> determined to be unacceptable
    - Delivery: quoted delivery time frame does not meet our requirements.





# **New Initiatives**

# **NIST Pilot Program**



- National Institute of Standards (NIST)
  - Nationwide network of not-for-profit companies
    - Provide technical consultants to small business
      - Solve manufacturing/material problems
      - Lean Six Sigma
- Wants to expand to include business opportunities
  - Match opportunities to companies in network
- Goal: Use NIST to develop new sources
  - Hard to buy items
  - Sole source items
- DSCC will provide
  - Training on doing business with DLA
  - Samples, tech data, and/or photos
  - Funding for reverse engineering efforts





# Component Optimization for Ground Systems (COGS)

Letter State State

Culture

- Pilot Program funded by TARDEC at TACOM
  - Congressional add money
- What is COGS?
  - Identifies all component and material requirements
  - Develops design and manufacturing alternatives
    - Utilize most cost effective processes
- TARDEC requested DSCC participation
  - DSCC provides NSNs for evaluation
    - DSCC managed NSNs with TACOM as ESA
    - Focus on high dollar and hard to buy NSNs
  - DSCC participates in technical evaluation
- Benefits
  - Gov't owned TDP
  - Approval process short since ESA is team member



# MRAP Support



- Focused support to Land Supply Chain
  - Eliminating duplicate NSNs



- Reviewing/correcting technical data
- Current focus on "Sources Sought" synopsis
  - Seeking actual MRAP parts manufacturers
  - Synopsis for each MRAP OEM
    - Copies available at Sourcing Booth (#841)









# Summary



- DSCC's Value Management Office provides support
  - Government
  - Customers
  - Suppliers
- Our focus
  - Provide solutions on problem parts
  - Reduce acquisition and support costs
- For further information
  - Contact attached P.O.C.'s
  - Visit our booths: #841, #842, and #941





#### **Points of Contact**



VM Program Manager: Dave Szczublewski

614-692-8854 / DSN 850-8854 / david.szczublewski@dla.mil

**VEB Team Chief:** Dan Krist

614-692-3320 / DSN 850-3320 / daniel.krist@dla.mil

**VEE Team Chief & VECP:** Don Howell

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Castings & Forgings: Dwayne Porter

614-692-8857 / DSN 850-8857 / dwayne.porter@dla.mil

**RPPOB:** Daniel Bonner

614-692-4203 / DSN 850-4203 / daniel.bonner@dla.mil

Sustainment Engineering & VECP: Mark Cutler

614-692-4939 / DSN 850-4939 / mark.cutler@dla.mil

Organic Manufacturing: Jeff Culbertson

614-692-8833 / DSN 850-8833 / jeffery.culbertson@dla.mil

Price Challenge & Should Cost Teams: Andy Utz

614-692-8758 / DSN 850-8758 / andrew.utz@dla.mil



#### **Accounts Payable Overview – DFAS/CO**

Samantha Rohrbacher
Defense Finance and Accounting Services
Accounts Payable, EBS Entitlements Supervisor
August 18, 2009



#### **Agenda**

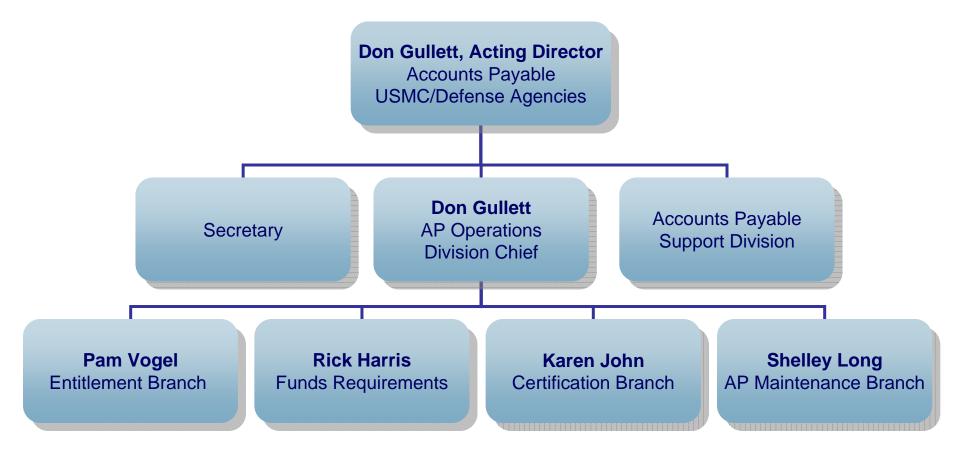


- Organization Structure
- Entitlement Processing Branch
- Certification and Audit Branch
- Funds Requirement Branch
- Accounts Payable Maintenance Branch
- IPAC
- Entitlement System Overview
- Magnitude of Operations
- Payment Process
- Invoicing Requirements



#### **Accounts Payable Operations Division**







#### **Entitlement Processing Branch**



Entitlement Systems		
AVEDS	FABS	
CAPS-W	FAS	
EBS	SAVES	

Supporting Systems	
CCR/BEIS	Powertrack
EDA	SRD-1
EDI	WAWF
EDM	

#### **Functions:**

- Review contracts, invoices, and receiving reports for propriety IAW regulatory requirements.
- Match contract, invoice, and receiving report to initiate proper payment.
- Verify vendor CCR registration and remittance data
- Perform entitlement/computation actions necessary to generate payments to vendors and individuals for services performed and/or goods/materials received.
- Process payments into the applicable entitlement system (Systems vary depending on customer)



#### **Funds Requirement Branch**



Accounting Systems	
BOSS	FAMIS
DBMS	FAS
DFAMS	IAPS
DIFMS	SABRS
DWAS	STARS
EBS	WAAS

#### **Functions:**

- Ensure obligations are recorded prior to disbursement of funds
- Research and correct prevalidation reports generated each night.
- Resolve prevalidation issues referred by Entitlement Section personnel as outlined by the DoDFMR.



5

#### **Certification Audit Branch**



#### **Entitlement Systems**

AVEDS FABS

CAPS-W FAS

EBS SAVES

#### **Supporting Systems**

ACL EDM

CCR/BEIS Powertrack

EDA SRD-1

EDI WAWF

#### **Functions:**

- Payment Certification:
  - ✓ Duly Appointed Certifying Officials.
  - Ensure accuracy of entitlement prior to disbursement.
  - ✓ Ensure entitlement is legal, proper, and correct.
- Perform pre-pay & post pay audits.
- Manage EFT reject process.



#### **Accounts Payable Maintenance Branch**



Supporting Systems	
DBMS	EBS
DFAMS	FAMIS
DO22D	FAS
DWAS	WAAS

#### **Functions:**

- Responsible for expenditure processing, clearing undistributed transactions, intransits, researching and clearing problem disbursements.
- Research and monitor travel advances, research and post refund receivables.
- Accrue for and recognize liabilities, establish payables, reconcile and post payrolls.
- Participate in joint reviews with customers.
- Accounts Payable/Eliminations Entries.



#### **Intragovernmental Payment and Collection (IPAC)**



Supporting Systems		
DBMS	IAPS	
DFAMS	IPAC	
DIFMS	SABRS	
DWAS	STARS	
EBS	WAAS	
FAS		

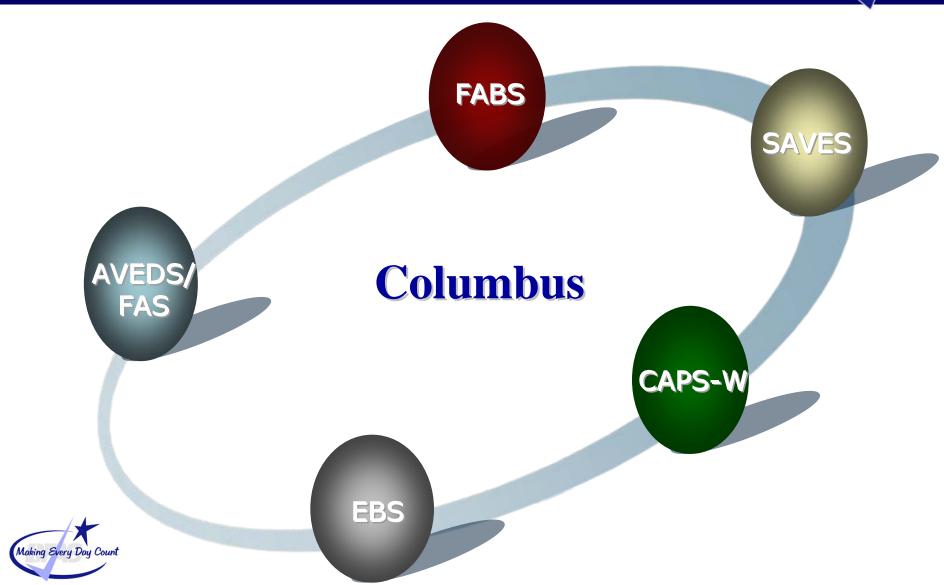
#### **Functions:**

 Transfer funds from government to government consolidating this process for both incoming and outgoing transactions.



#### **AP Systems – Defense Agencies/USMC**



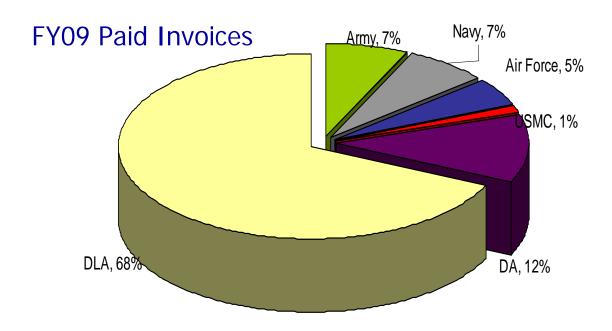


#### **Vendor Pay Magnitude of Operations**



#### Vendor Pay Network

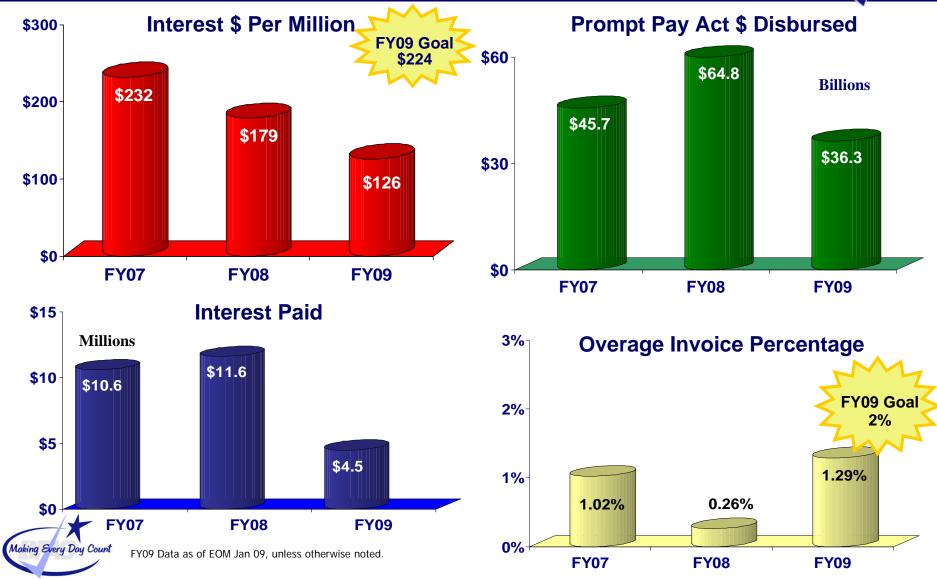
- √ 5 Vendor Pay Sites
- √ 150,000 Contractors / Vendors
- √ 13.6 Million Total Invoices Paid in FY08
- ✓ \$126.0 Billion PPA \$ Disbursed in FY08
- √ 4.8 Million Total Invoices Paid in FYTD Jan09
- √ \$42.0 Billion PPA \$ Disbursed in FYTD Jan09





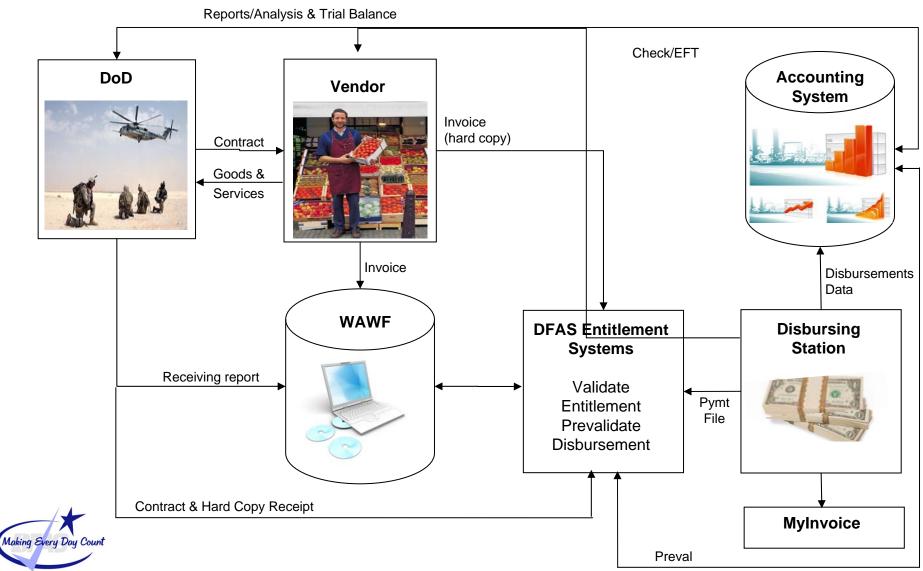
# **Magnitude of Operations COLUMBUS CENTER Vendor Pay, FY07-FYTD09**





#### **Accounts Payable Process**





#### **Prompt Payment Terms**



#### Net 30 Days = Normal Payment Terms

#### Net 7 Days

Meat, Meat Food Products, including Poultry, Fresh Eggs, Seafood or Shellfish

#### Net 10 Days

✓ Perishable Agricultural commodities, Fresh Bakes Goods, Dairy Products, Fats and Oils

#### Net 14 Days

✓ Construction Contracts

#### Fast Pay 15 Days

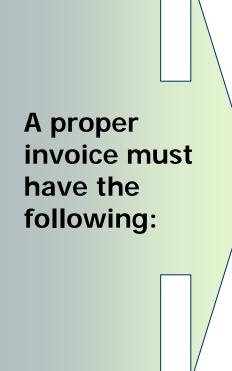
- Early Payment based upon the receipt of a valid invoice
- ✓ FAR Clause 52.213-1





#### **Proper Invoice**



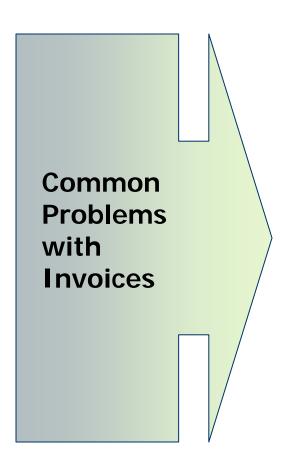


	Invoice Date
	Name and Address of the vendor
$\checkmark$	Invoice number, Account number, and/or any other identifying number agreed to by contract
$\sqrt{}$	Contract Number or other authorization for delivery
$\sqrt{}$	Description, Price and Quantity
	Shipping, Payment, and Discount Terms
$\checkmark$	Taxpayer Identifying Number (TIN), unless agency procedures provide otherwise
	Contact Name (where practicable) of person to be notified in event of a defective invoice
$\sqrt{}$	Banking information, unless agency procedures provide otherwise, or except in situations where the EFT requirement is waived under 31 CFR 208.4
	Other substantiating documentation or information required by the contract



# **Proper Invoice**





$\sqrt{}$	Wrong or incomplete contract (PO) number
	Missing call/delivery order number
$\sqrt{}$	Vendor sends statements and not invoice
$\checkmark$	Billing for past due amounts on current charges instead of submitting original invoice where balance is due
	Missing invoice number and date
	Billing description is incomplete or incorrect
<b>√</b>	Failure to mark DD250 as an original invoice
<b>√</b>	Invoice is submitted by a vendor (sub contractor) other than the vendor named on the contract



# **Returning Invoices**



An invoice is returned under the following conditions:

An invoice will not be returned when:

An invoice is received prior to a service period.

There is no contract number provided.

The invoice is not a proper invoice.

There is a destination acceptance and no receiving report.

An incorrect line of accounting data.



# **Acronyms from Pages 4-9**



ACL	Application Control Language
AVEDS	Automated Voucher Examination & Disbursing System
BEIS	<b>Business Enterprise Information Services</b>
BOSS	Base Operating Support System
CAPS-W	Computerized Accounts Payable System-Windows
CCR	Central Contractor Registration
DBMS	Defense Business Management System
DFAMS	Defense Fuels Automated Management System
DIFMS	Defense Industrial Fund Management System
DOD22D	Missile Fuels Accounting System
DWAS	Defense Working Capital Accounting System
EBS	Enterprise Business System
EDA	Electronic Data (Document) Access

# **Acronyms from Pages 4-9**



EDI	Electronic Data (Document) Interchange
EDM	Electronic Data (Document) Management
FABS	Financial Accounting & Budget System
FAMIS	Financial Accounting Management Information System
FAS	Fuels Automated System
IAPS	Integrated Accounts Payable System
IPAC	Intra-Governmental Payment and Collection
SABRS	Standard Accounting Budget Reporting System
SAVES	Standard Automated Voucher Examination System
SRD-1	Standard Finance System Redesign, Sub System-1
STARS	Standard Accounting and Reporting System (Navy)
WAAS	Washington Headquarters Services Allotment Acctg System
WAWF	Wide Area Workflow







#### **Electronic Commerce & Wide Area Workflow Overview**

### **Presented by:**

eSolutions Office
Defense Finance and Accounting Service



# **Topics**



#### DFAS EC Tools Overview

#### What is WAWF

- ✓ Definition
- √ FAR Clause
- ✓ User Benefits
- User Roles

#### How WAWF Works

- ✓ Document Routing
- Email Notification
- ✓ High Level Process
- ✓ Document Flow (Combo & 2-in-1)
- ✓ UID & RFID
- Tools and References





#### **DFAS EC Tools Overview**





Vendor registers in **CCR**, remittance data transmitted to EC systems/CEFT

(2)



Wide Area Workflow

Contracts/mods, vouchers are posted to **EDA** 

Same of the second seco

Making Every Day Count

Vendor enters invoice and shipment data into **WAWF**, or transmits invoices via **WINS** or **EDI**.

Government performs acceptance of goods and services in **WAWF** transmitted to entitlement/accounting systems.





Vendor receives payment via electronic funds transfer (**EFT**) and uses mylnvoice to track their payment.





Vendor monitors invoice status and views AOP in **MyInvoice**.

# What is WAWF?



4

Purpose – FAR Clause - Benefits - Roles



# WAWF Eliminates Paper from the Acquisition Process.,

- WAWF stands for Wide Area Workflow
- Department of Defense initiated WAWF to eliminate paper transactions from the acquisition process
- An interactive web-based application that allows <u>Vendors</u> to electronically submit invoices and receiving reports, and the <u>Government</u> to inspect, accept, receive and pay electronically.





### ...and Enables Users to Access and to Process Documents Electronically



- Users can be:
  - ✓ Vendors
  - ✓ Government Officials
- Documents include:
  - ✓ Contracts
  - ✓ Invoices
  - ✓ Receiving Reports
- Documents are used to generate payments for goods and services





# Why WAWF for Electronic Invoicing?



- Contractors must submit invoices electronically.
- It's the Law
  - ✓ Mandated by Public Law: Section 1008 of National Defense Authorization Act of FY 2001
- It's being enforced!
  - ✓ DFAS updated to include requirement for electronic invoicing, effective for contracts issued after Feb 28, 2003.
- DFARS Clause 252.232-7003 (DFARS 232.7004)
  - ✓ Requires electronic invoicing.
  - ✓ Requires electronic supporting documentation.
  - ✓ One of the three acceptable electronic forms for transmission of invoices (WInS, WAWF and EDI).

http://www.acq.osd.mil/dpap/dars/dfars/index.htm



# **WAWF Exceptions (DFARS 232.7002 Policy)**



- 1. Purchases paid for with a government credit card
- Awards made to foreign vendors for work performed outside of the United States
- 3. Classified contracts
- 4. Contracts awarded by deployed contracting officers
- 5. Purchases to support unusual or compelling needs in FAR 6.302-2
- 6. Undue burden by either the vendor or DoD, (See specifics under the DFAR clause)



#### The WAWF Benefits



- Ability to submit documents electronically in compliance with public law
- Global Accessibility
- Eliminates Lost or Misplaced Documents
- Accuracy of Documents
- Secure & Auditable Transactions
- Enables DoD to take Maximum Benefit of Discounts
- Enables Timely & Accurate Payments
- Decreases Interest Penalties
- Enables Capture of Unique Identifier (UID) and Radio Frequency Identifier (RFID) Data
- Track movement of Government Furnished Property (GFP)/Government Furnished Equipment (GFE)





# Who is Using WAWF?



Specific DoD Components and other government offices using DoD WAWF include:

- DoD Vendors
- Air Force (USAF)
- Army (USA)
- Defense Finance and Accounting Service (DFAS)
- Defense Information Systems Agency (DISA)
- Defense Contract Audit Agency (DCAA)
- Defense Contract Management Agency (DCMA)
- Defense Logistics Agency (DLA)
- Marine Corps (USMC)
- Navy (USN)
- Other Defense Agencies



## **DFAS Payment Systems that link directly to WAWF**



- MOCAS (Mechanization of Contract Administration Services); used by the Defense Contract Management Agency
- One Pay; used by the Navy
- EBS (Enterprise Business System) formerly called BSM
- CAPS (Computerized Accounts Payable System); used by the Army
- IAPS-E (Integrated Accounts Payable System Electronic); used by the Air Force.



#### **User Roles at a Glance**

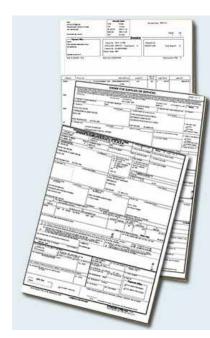


- Vendor
  - ✓ Contractor or Supplier
- Inspector & Acceptor
  - ✓ Requiring Activity, Contracting Officer Representative (COR), Quality Assurance Reviewer (QAR)
- Local Processing Office (LPO)
  - √ role used in situations where documents must be certified by a local office before forwarding to DFAS.
- Cost Voucher Reviewer/Approver
  - ✓ DCAA
- Pay Official
  - ✓ DFAS Paying Office
- Group Administration (GAM)
  - ✓ role is used by an individual selected at the organization/location level, that is charged with the responsibility of maintaining the users of his/her assigned organizations. (Gate Keeper)
- View Only
  - √ roles are used by supervisors and administrators



# WAWF Can Be Used to Create & Process a Number of Documents Electronically...

- Stand Alone Invoice FAR 32.905
- Fast Pay Invoice FAR 52.213-1
- Invoice 2-IN-1 FAR 32,905
- Commercial Item Financing FAR 32.202-1(b); FAR 52.232-29 & -30
- Performance Based Payment FAR 32.1003; FAR 52.232-32
- Progress Payment FAR 32.5; FAR 52.232-16
- Stand Alone Receiving Report DFAR Appendix F, DFAS 52.246-7000
- Invoice and Receiving Report (Combo) FAR 32.905; DFAR Appendix F
- Cost Voucher FAR 52.216-7, -13, & -14; FAR 52.323-7
- Miscellaneous Payment





# **How does WAWF work?**



Document Routing – Email Notification – Document Flow



# Documents are Routed Through WAWF According to DoDAACs Entered by Vendor



SOLICITATION/CONTRA OFFEROR TO COMP				1. REQUISITION	NUMBER	PAGE 1 OF			
N0024404F5010	3. AWARD/EFFECTIVE DATE			5. SOLICITATIO	NUMBER	6. SOLICITATION ISSUE DATE			
7. FOR SOLICITATION INFORMATION CALL:	■ NAME			b. TELEPHONE N	IUMBER (No collect	8. OFFER DUE DATE/ LOCAL TIME			
9. ISSUED BY	CODE	N00244	ACQUIST  NAMESTRICTO  SET ASIDE:  SMALL B	ED % FOR USINESS	11. DELIVERY FOR FOB DESTINATION UNLESS BLOCK IS MARKED SEE SCHEDULE	12. DISCOUNT TERMS			
FLEET AND INDUSTRIAL S	SUPPLY CENTER		BUSINESS	SMALL	13e. THIS ORDER	CONTRACT IS A RATED UNDER DPAS (16 CFR 700)			
937 N HARBOR DRIVE			DO(A)		136. RATING				
San Diego, CA 92132-0008			SIZE STANDARD	:	14. METHOD OF SOUR				
15. DELIVER TO	CODE	N65888	16. DMINISTERED	BY	RFQ FB	CODE RFP			
NADEP North Island			EE BLOCK	•					
San Diego, CA 92135-7050	M3W0 FAC ITY		IBa, PAYMENT WI	I SE MADE BY		ODE N68688			
OFFEROR TODE 1	M3W0 FAC ITY		ou. TATIMENT WI	LE DE MONDE DI		N68688			
CACI			DFAS						
CHANTILLI VA 22204-1234	:		O	eate N	ew Docu	ment			
TELEPHONE NO.			C1	cate N	cw boca	illelit			
			* =	Required F	ields, Date = `	YYY/MM/DD			
				ntract Numb )24404F5010		er CAGE Code / Ext. 1M3V/0	Pay D		
			leei	ıe <u>D</u> ate	IssueBy Dof	AAC Admin DoDAA	`* Insn	ectBy DoDAAC / Ext.	Mark For Code / Ext.
			1000		<u>1</u>	AAO <u>A</u> annii bobAA	, inch	COLDY BODIALO / EXIL	<u>m</u> ank r or sout / Ext
			Shi	p T <u>o</u> Code '	'/Ext. S	hip <u>F</u> rom Code / Ext		LPO DoDAAC * / Ext.	
			Doc	ument Sele	cted:				
Making Every Day Count			Invo	ice and Rec	eiving Report (Coi	nbo) Destination Ins	pection	/ Destination Acceptance	•
							Con	tinue <u>R</u> eturn	Reset Page Help

#### WAWF Allows Users to Send Multiple E-mail Notifications



- WAWF uses a unique e-mail system for notifying the various users within the workflow of actions to be taken and document status.
- Users have ability to send notifications to additional e-mail addresses following an action.
- E-mail addresses are saved for future use after submitted.

Initiator Email Distribution	
Use the fields below to include additional gnail addresses. Please add only one address per field.	
<u>S</u> ubmit <u>R</u> eturn R <u>e</u> set	Page <u>H</u> elp



### **Sample Email Notification**



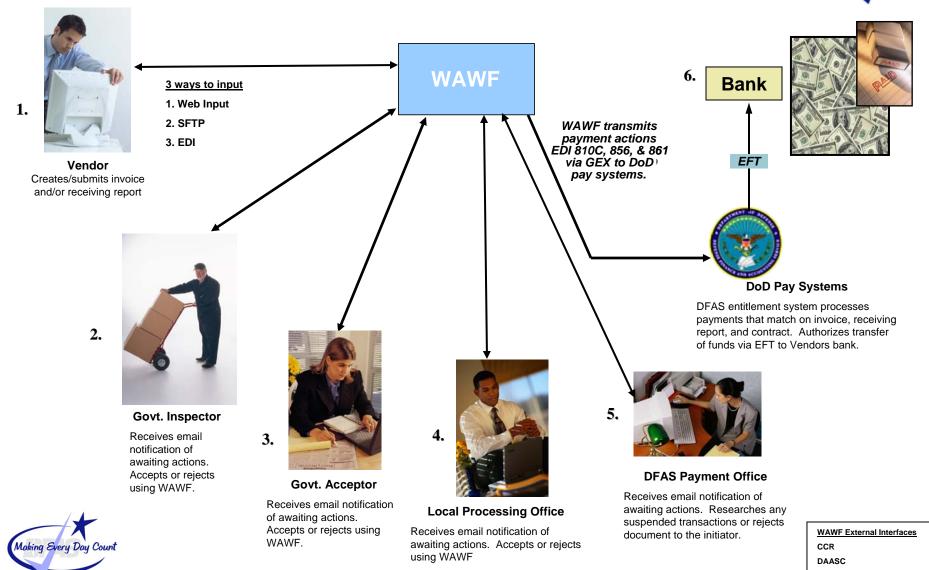
cscassig@csd.disa.mil From: To: Cc: Subject: GS23F0185K\HQ042305F0020\0BMB0\\CI2N1\0028\59217\HQ0359\\Submitted Action DoDAAC\Ext: HQ0359 Document Type: Invoice 2-in-1 (Services Only) Status: Submitted Acceptance Date: Processed Date: 2007/02/20 Contract Number: GS23F0185K Delivery Order Number: HQ042305F0020 Contract Issue Date: 2004/10/21 Vendor CAGE\Ext: OBMBO Shipment Number: 0028 Shipment Date: 2007/02/02 Invoice Number: 59217 Invoice Date: 2007/02/02 Has been Submitted by on 2007/02/20. Status is Submitted.



THIS IS A SYSTEM GENERATED EMAIL MESSAGE, PLEASE DO NOT RESPOND TO THIS EMAIL.

## **How Does It Work? - WAWF Receipt & Acceptance Process**





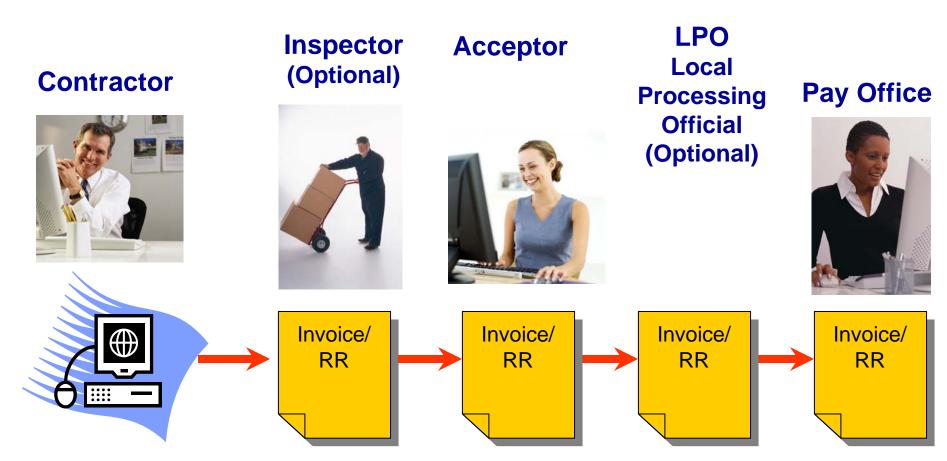
EDA

#### **Invoice 2-in-1 Workflow**

Making Every Day Count

9/9/2009





Invoice and Receiving Report Travel as One Document

#### **Invoice 2-in-1 Demonstration**



Select <u>Create a 2-in-1</u> (from the EC End Users Tool Box) - This is a large file and will start playing automatically.

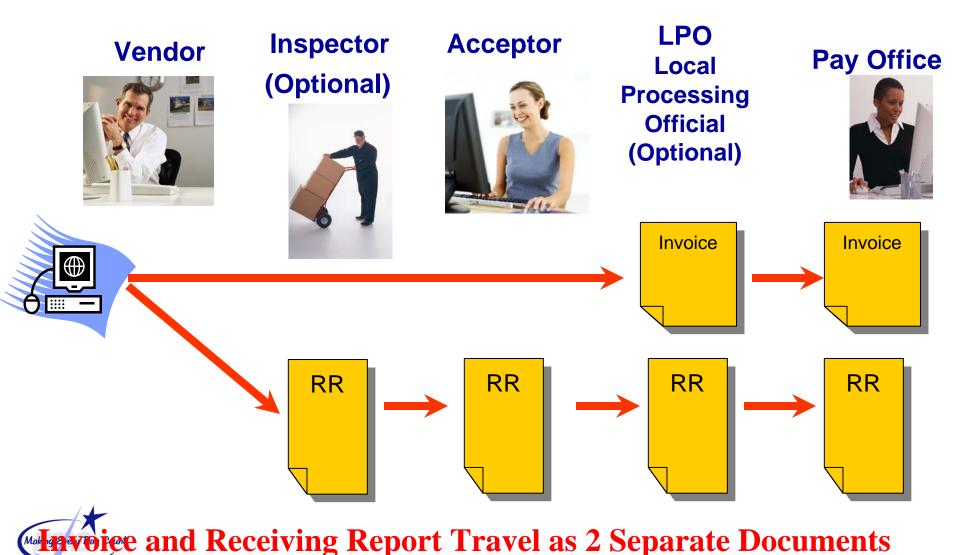
To access this tutorial on your own, go directly to:

http://www.dfas.mil/contractorpay/electroniccommerce/ECToolBox/2n1Create.swf



# Combo (Invoice/RR) Workflow





#### **Combo Demonstration**



Select <u>Create a Commercial Invoice & Receiving Report (Combo)</u> - This self-guided tutorial explains how to create a combo.

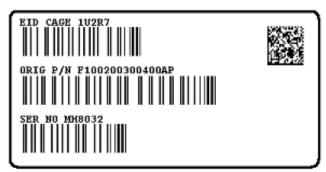
To access this tutorial on your own, go directly to:

http://www.dfas.mil/contractorpay/electroniccommerce/ECToolBox/CreateCIRR.swf



## **Unique Identification (UID)**





Mil-Std-130 UID Construct 2 Label

#### UID is the combination of:

**Enterprise ID** 

370521



Serial Number

Original Part Number 1234

Current Part Number 5678





- Unique Identification (UID) is a system of distinguishing one object from another, allowing DoD to track identical objects separately.
- WAWF is the single entry point for UID/RFID information on DoD procurement actions
- To date UID and RFID are not fully deployed throughout the DoD, projected to be completed by the end of 2007
- For additional information go to the DFAS EC End User's Tool Box and click on the *Unique* Identification (UID) web site link

# Radio Frequency Identification (RFID)





- RFID technology is a means of identifying a unique object or a person using a radio frequency transmission.
- DFARS Clause 252.211-7006 The Contractor shall electronically submit advance shipment notice(s) with the RFID tag identification (specified in paragraph (d) of this clause) in advance of the shipment in accordance with the procedures at:

http://www.acq.osd.mil/log/rfid/advance\_shipment\_ntc.htm

- WAWF is the current acceptable method for advanced shipment notice (ASN) submission.
- The ASN is not a new process/transaction. It is the same existing Material Inspection Receiving Report (MIRR) transaction being sent to WAWF with additional data (RFID data elements) added to the transaction.
- For additional information go to the DFAS EC End User's Tool Box and click on the Radio Frequency Identification (RFID) link



# Where Do I Go from Here?





# WAWF Registration - <a href="https://wawf.eb.mil">https://wawf.eb.mil</a>





Wide Area Workflow

Home

**Customer Support** 

#### [-] About WAWF Functional Information

Using WAWF With MSIE 7
Browser
Setting Up Your Machine Desktop
Setting Up Your Machine Wireless
Access Web Based
Training (External Link)
FAQ (External Link)
Deployment Checklist

🚹 <u>W</u>hat's New

Security & Privacy

Active DoDAACs & Roles

Active CAGEs & Roles

### Wide Area Workflow



#### System Messages:

(13 Feb 07) If you are experiencing difficulties displaying documents using admin by view only roles, a cage code and the 30 day create day date range, perform the following actions. Clear all cookies, delete temporary internet files and clear your history from your browser. Close the browser and reopen another instance and attempt a search again.

(12 Feb 07) If you are experiencing difficulties pulling up a document after typing the contract number in the search criteria screen in lower case, perform the following actions. Clear all cookies, delete temporary internet files and clear your history from your browser. Close the browser and reopen another instance and attempt a search again. For further guidance, go to <a href="How and why to clear your cache">How and why to clear your cache</a>.

(11 Feb 07) Internet Explorer 7.0 (IE7.0) running on Windows Vista operating system is not supported for use with Wide Area Workflow. Windows Vista is under test and evaluation for compatibility with the application; please do not use it with WAWF until further notice. For guidance on how to set up IE7.0 running on Windows XP SP2, please go to setup instructions for IE7.0.

If you are experiencing slow response times or system "hangs" and are using Internet Explorer 6.0 SP1, a patch (Q818506) may help to decrease your response time. To download the patch, go to the web site below and follow the instructions.

http://www.microsoft.com/downloads/details.aspx?FamilyID=6ad4034b-22df-4100-b211-5cf7e0eac5e1&displaylang=en

#### Attention:

Attention all DoD contractors - When shipping material to a DLA Distribution Depot, Shipment Number data must be annotated on the Shipping Documentation that accompanies your shipments. Failure to provide Shipment Number data on the Shipment Documentation could cause a delay in payment. For Shipping Documentation details see BSM website: <a href="http://www.dla.mil">http://www.dla.mil</a>.

Please check out the new enhanced Web Based Training (WBT) course covering all the new features of WAWF 3.0.11 and more. The WBT is now available for your use at <a href="http://www.wawftraining.com">http://www.wawftraining.com</a>.

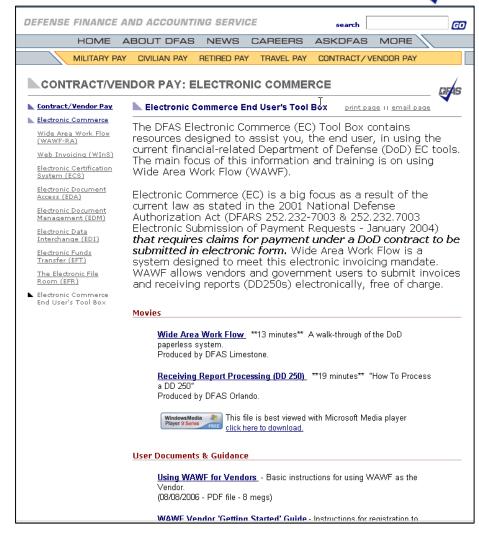
This system is unavailable during the following times to conduct Database system maintenance: Oracle Cold Backup – SUN 0100 MT/0300 ET - 0400 MT/0600 ET

Logon to WAWF (Registered user only)
Self-Register to use WAWF (New users)\*
Help with registration for access to WAWF

#### **EC End Users Tool Box**



- Located on the DFAS public web-site
- Contents include:
  - ✓ WAWF Vendor "Getting Started" Guide
  - ✓ Interactive system demonstrations
  - √ Step-by-step user guides
  - Links to additional learning tools





http://www.dfas.mil/contractorpay/electroniccommerce/ECToolBox.html

# **WAWF Training Opportunities**



- WAWF Web-Based Training Site Go here to learn how to use WAWF via self paced, online training. This training is an excellent place to begin learning about WAWF. <a href="http://www.wawftraining.com">http://www.wawftraining.com</a>
- WAWF Vendor Classroom Training Go here to register for upcoming WAWF classroom training provided by DFAS. <a href="http://www.dfas.mil/contractorpay/electroniccommerce.html">http://www.dfas.mil/contractorpay/electroniccommerce.html</a>
- WAWF Training Practice Web Site Go here to practice using the WAWF application. <a href="https://wawftraining.eb.mil">https://wawftraining.eb.mil</a>



#### For More Information...



- WAWF production web-site <a href="https://wawf.eb.mil">https://wawf.eb.mil</a>
- WAWF Customer Support

DISA WESTHEM - Area Command Ogden

**Customer Service Center** 

CONUS ONLY: 1-866-618-5988 COMMERCIAL: 801-605-7095

DSN: 388-7095

FAX COMMERCIAL: 801-605-7453

FAX DSN: 388-7453

CSCASSIG@CSD.DISA.MIL

- DFAS eCommerce web site <a href="http://www.dfas.mil/contractorpay/electroniccommerce.html">http://www.dfas.mil/contractorpay/electroniccommerce.html</a>
- DFAS Customer Service: 1-800-756-4571
- myInvoice <a href="https://myinvoice.csd.disa.mil//index.html">https://myinvoice.csd.disa.mil//index.html</a>
- EDA web site http://eda.ogden.disa.mil/
- DoD RFID Info <a href="http://www.acq.osd.mil/log/rfid/index.htm">http://www.acq.osd.mil/log/rfid/index.htm</a>
- Unique Identification (UID) <a href="http://www.acq.osd.mil/dpap/UID/">http://www.acq.osd.mil/dpap/UID/</a>
- Federal Acquisition Regulation Web Site <a href="http://farsite.hill.af.mil">http://farsite.hill.af.mil</a>





# Thank You!





# **Contract Pay (MOCAS) Operations Overview**

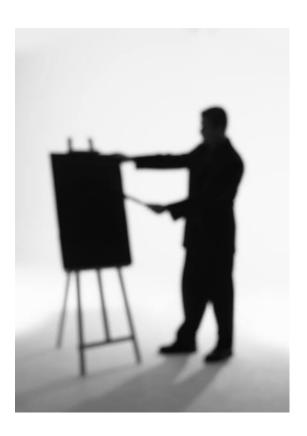
Joe M. Spring
Accounts Payable Acquisition Directorate
August 2009



### **Agenda**

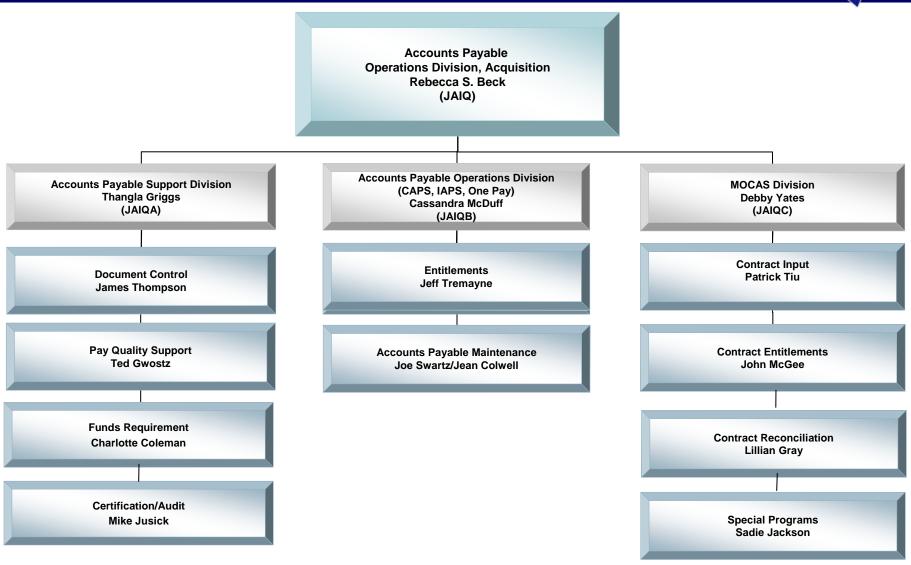


- MOCAS Organizational Structure
- What is MOCAS?
- MOCAS Magnitude of Operations
- MOCAS Operations at a Glance
- Accounts Payable Process
- Payment Process
- Contract Reconciliation
- Contract Close-Out
- Electronic Document Receipt
- MOCAS Areas of Emphasis



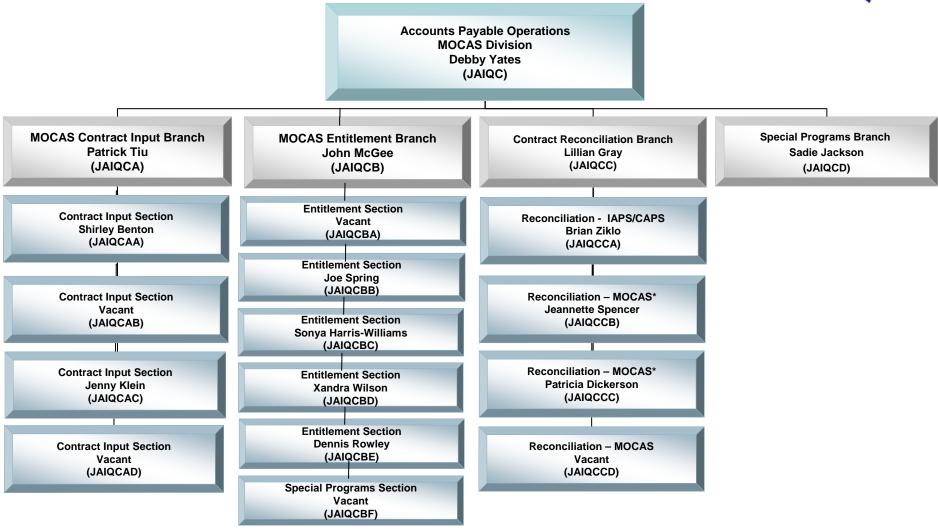
### **Accounts Payable Acquisition Directorate**





## **Accounts Payable Acquisition – MOCAS Division**





### What is MOCAS?



## MECHANIZATION

OF

CONTRACT

ADMINISTRATION

SERVICES

- Integrated system supporting post award contract administration
- Used by:
  - ✓ DCMA Contract Administration Offices
  - ✓ DFAS Contract Pay
  - ✓ Procurement Offices
  - ✓ Funding Stations (Prevalidation Business Partners)
- Pays More Complex Contracts
  - High Dollar
  - Multiyear Contracts
  - Multiple Deliverables
- Makes Financing Payments

### **MOCAS Magnitude of Operations**



### MOCAS – FYTD 09

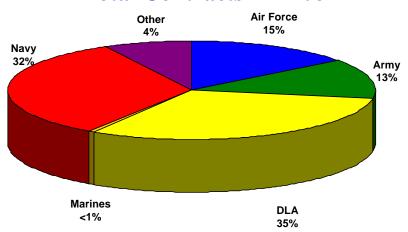
(As of June 09)

- √ 336,819 Active Contracts
- √ 18,792 Active Contractors
- √ 792,840 Invoices Processed
- √ \$144.8 Billion Disbursed

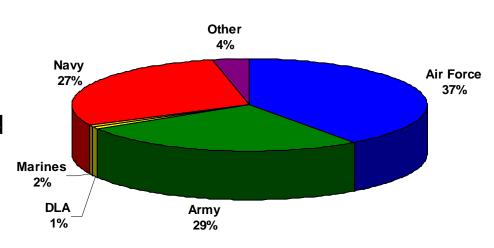
### MOCAS – FY 08

- √ 339,296 Active Contracts
- √ 17,893 Active Contractors
- √ 1,057,061 Invoices Processed
- √ \$180 Billion Disbursed

### **Total Contracts - FY 08**



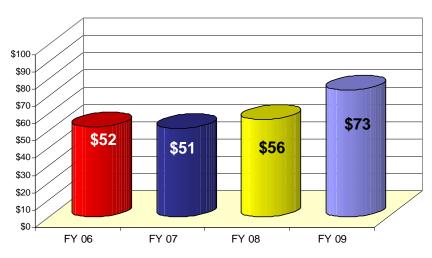
# Obligation Dollars by Service FY 08



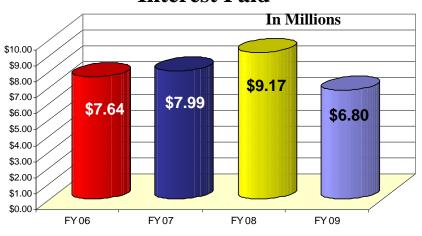
## **MOCAS** Operations at a Glance



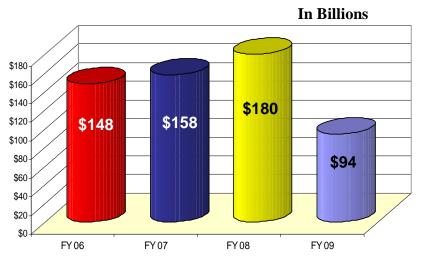
**Interest \$ Per Million** 



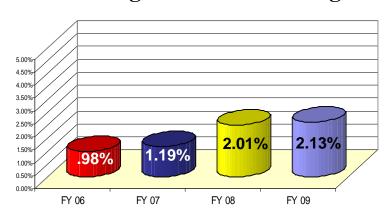
### **Interest Paid**



### **Prompt Pay Act \$ Disbursed**

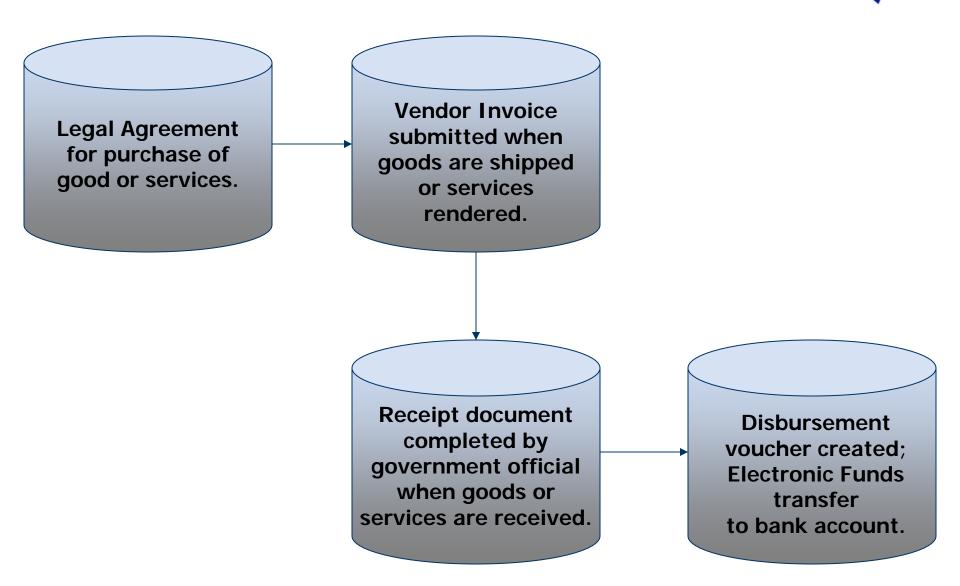


### **Overage Invoice Percentage**



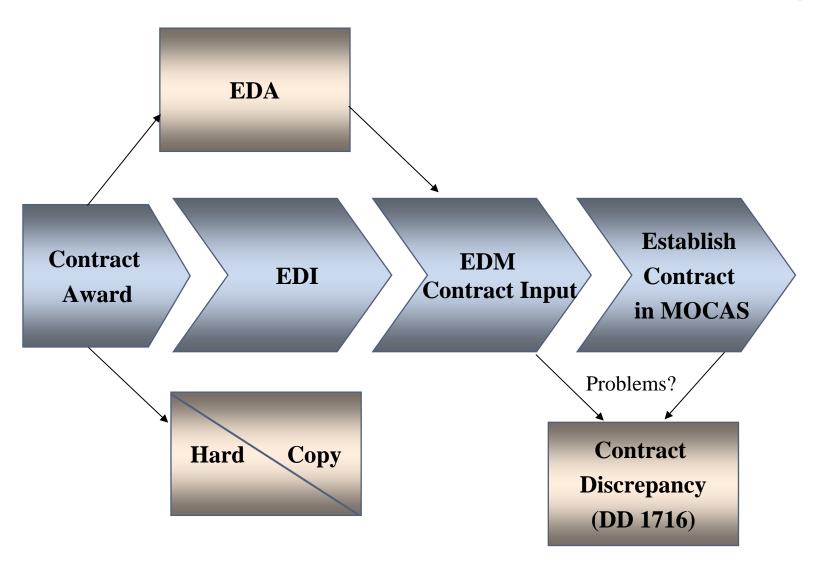
### **Accounts Payable Process - 3 Way Match**





## Payment Process: Contract Management





9

# Payment Process: Invoice Entitlement





Invoice
Commercial
DD250
Financing

Cost Vouchers\_

Acceptance (WAWF)

## **Valid Payment Request** Payment Initiated Research & **Entitlement** CLR, Provision File, Master Invoice, Reconciliation **Accounts Payable** Verify Obligation **Prevalidation MOCAS System** Disbursement **EFT Notification to**

Notification to Accounting Station

Payment to Contractor

# Payment Process: Current Prevalidation Thresholds



- Thresholds
  - ✓ Nov 1, 2006 reduced to \$5000
  - ✓ Anticipated drop to \$2500 in FY 09
  - √ FY05 and future contract disbursements \$0
  - √ Vendor Pay is currently at \$0
- Five Calendar Day Standard

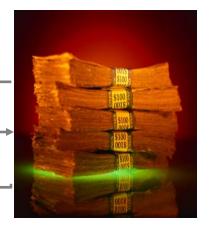
## Accounting



### **PREVALIDATION**

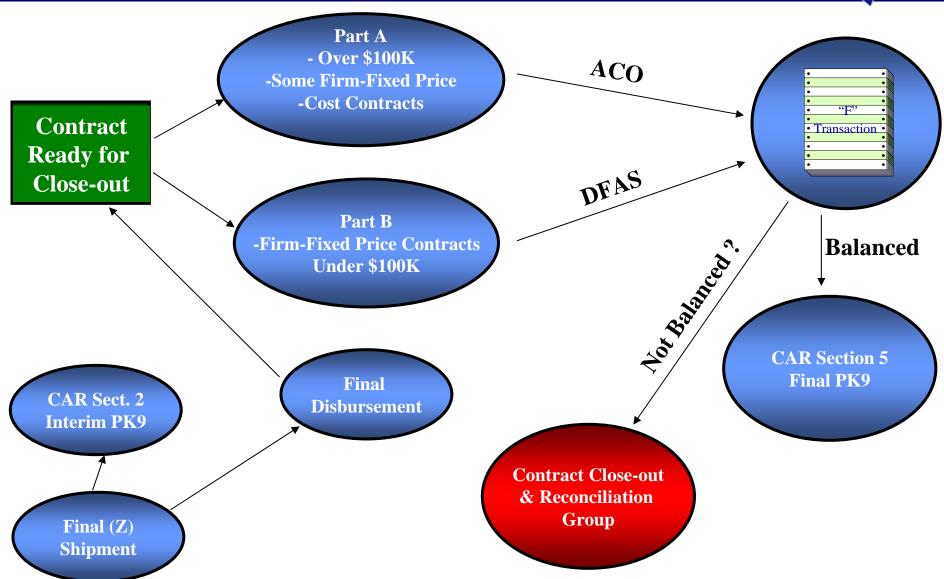
- 7 Initial Request
- 8 Response
- 9 Disbursement

## **Disbursing**



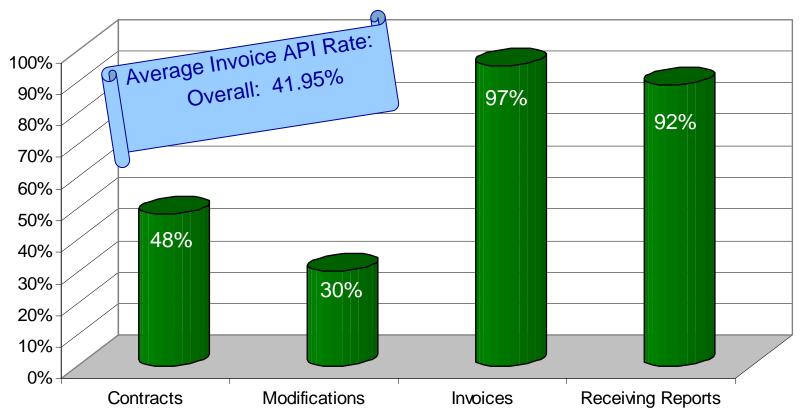
### **Contract Closeout**





## Electronic Document Receipt – MOCAS – As of March 09

### **Overall EC Receipts**



	Contracts	Modifications	Invoices	Receiving Reports
Overall	48%	33%	98%	81%









# Land & Maritime Supply Chains Business Conference 2009



## **Payment**



- Payment is made based on receipt of invoice and Government acceptance (unless fast payment procedures are authorized)
- Acceptance is based on:
  - Material
  - Quantity
  - Price
  - Receipt Location
  - Shipping, Packaging, Marking Requirements
  - Receiving Documents



# Top 10 Reasons for Delayed Payment



#10 - Shipment does not meet packaging requirements

#9 – Incorrect Item received.

#8 – Non-conformance to heat treatment requirement for wood packing materials (including pallets). Since 2007, all wood packing material require a stamp certifying Heat treatment. (DLAD clause 52.247-9012)



# Top Ten Reasons for Delayed Payment



#7 – Material not received in an acceptable condition – (damaged, non-compliant to shelf-life requirements, other quality issues)

#6 – Quantities on shipping documents or invoice are more or less than in the shipment.

#5 –Improper Markings – shipments must be compliant to Mil-Std-129P marking requirements.



# Top Ten Reasons for Delayed Payment



- #4 No documentation received with the shipment
   \*\* MIL-Std-129P requires a copy of the receiving report be sent with the shipment unless otherwise noted in the contract.
- #3 Wrong Clin number on shipping documents or invoice
- #2 Incorrect data on invoice (Delivery order number omitted or incorrect, unit of issue incorrect, etc) Invoice must match contract data.



# Top 10 Reasons for Delayed Payment



And the #1 Reason why Payments are delayed . . .

Materials shipped to the wrong location ... All contract line items shipped to one location.



## **Resolution of Errors**



- Contact your Contract Administrator
- Make sure your point-of-contact information is up-to-date in the Central Contractor Registry (CCR)
- Retain and make available Proof of Delivery (Carrier tracking) information



## **Additional Resources**



- <a href="http://assist.daps.dla.mil/">http://assist.daps.dla.mil/</a> copies of Military Standards including MIL-STD-129P and MIL-STD-2073-1D
- <u>www.dodrfid.org</u> information on DoD's Radio Frequency Identification marking requirements
- <u>www.wawftraining.com</u> online training for Wide Area Workflow

# Industrial Capability & Material Readiness

Jim Buchanan & Steve Roadfeldt Industrial Capability & Warstopper Program

Ronnie Favors

Defense National Stockpile Center (DNSC)



# Agenda

## Industrial Capability Readiness

- The Surge and Sustainment (S&S) Process
- Electronic Capability Assessment Plan
- Warstopper Program
- Execution Warfighter Support

## Strategic Material Readiness Initiatives

- Strategic Metal Buffer
- Defense National Stockpile Center

### **Industrial Capability & Material Readiness**

## **INDUSTRIAL CAPABILITY**

# Surge and Sustainment

**DEFENSE MILITARY DEFENSE LOGISTICS SERVICES INDUSTRY AGENCY Capability** Go-to-War Capacity **Needs GO-TO-WAR PLANNING PRODUCTION INVENTORY & PROCUREMENT** (MATCHING) **WARFIGHTING CAPABILITY** 

SUSTAINMENT

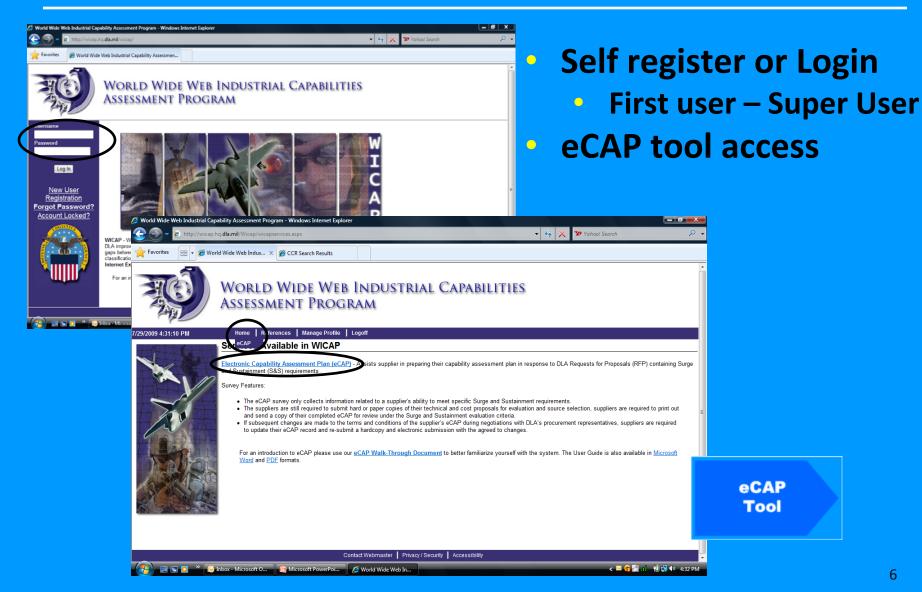
# **Electronic Capability Assessment Plan**

System Login

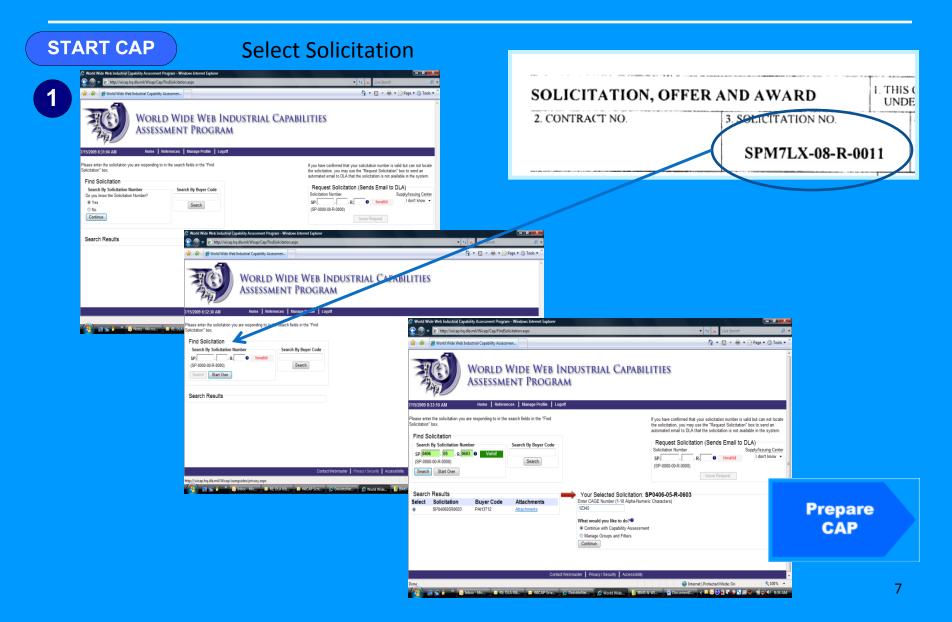
eCAP

- Select solicitation
- CAP data collection process report:
  - Capability to deliver Services' go-to-war requirements
  - Production constraints preventing requirement delivery
  - Opportunities and costs to mitigate constraints
- Summarize data
  - Review
  - Print
  - Submit

# eCAP - Login



## eCAP - Select Solicitation

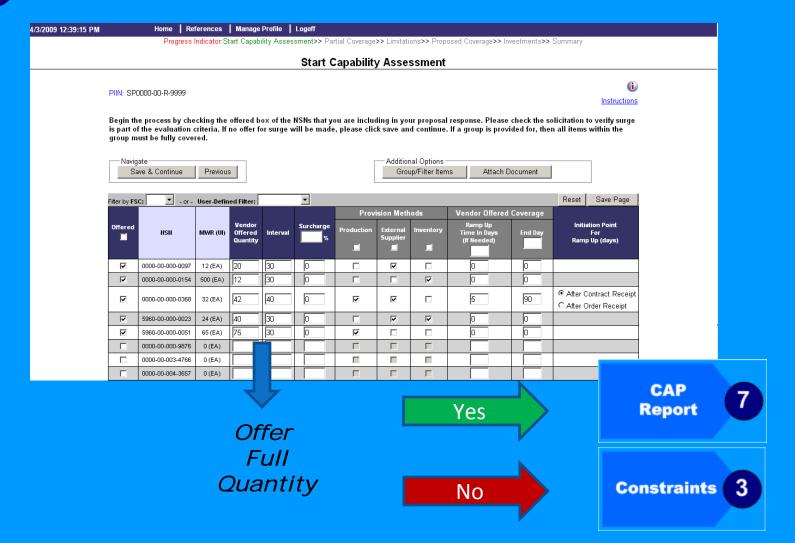


# eCAP - Identify Capability

2

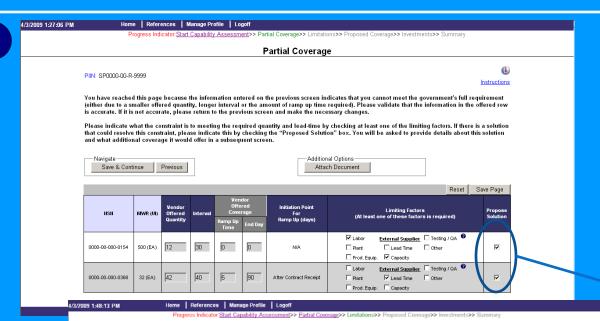


### **Start Capability Assessment**



## eCAP — Constraints

3



4

PIN: SP0000-00-R-9999

### Limitations

You have reached this page because the information entered on the previous screen indicates that you cannot meet the government's full requirement (either due to a smaller offered quantity, longer interval or the amount of ramp up time required). Please provide more details describing your Additional Options Save & Continue Previous Attach Document Reset Save Page Limiting Factor Detailed Reason (required) You have 917 characters remaining xternal Supplier eadtime Prepositioning critical lead time components will increase DBI's amounts available. You have 982 characters remaining Labor Strike resolution. External Supplier You have 976 characters remaining Capacity No longer served by DHL. Contact Webmaster | Privacy / Security | Accessibility

### **Solution Available**

Proposed 5

Or

CAP Report

# eCAP - Proposed Solution

" Note: Description: Note: D

WORLD WIDE WEB INDUSTRIAL CAPABILITIES ASSESSMENT PROGRAM Home | References | Manage Profile | Logoff Progress Indicator: Start Capability Assessment>> Partial Coverage>> Limitations>> Proposed Coverage>> Investments>> Summary **Proposed Coverage Management** PIIN: SP0000-00-R-9999 You have reached this page because you have indicated that there is a proposed solution. Please indicate the total offered quantity under your proposed solution. If you indicate that you require an investment to implement this solution then you will be directed to a new screen to provide that information. Save & Continue Previous Attach Document Do you have any investments for these proposed items? Yes 🕶 Reset | Save Page Requirement IISII 0 32 30 32(EA) ABILITIES Progress Indicator:Start Capability Assessment>> Partial Coverage>> Limitations>> Proposed Coverage>> Investments>> Summary Investment Management PIIN: SP0406-05-R-0603 You have reached this page because you have proposed a solution requiring a government investment. Please indicate the number of investment years (this should not exceed the solicitation period of performance), an estimate of the required funding, and the type of investment you are proposing below. Additional Options Navigate Save & Continue Attach Document Identify Investments Investment Years Create Investment Category -- Choose Investment Type - Which Applies To - ▼ Create Investment **Applies** Purpose Year 1 Year 2 Year 3 Year 4 Year 5 Modify Type To Preposition long lead time raw material. Rotate stock as Raw Material One Niin \$10,000.00\$2,500.00\$2,500.00\$2,500.00\$2,500.00<u>Edit Dele</u>

CAP Report

Internet | Protected Mode: On

⊕ 100% ▼

# eCAP - Summary

7

### **CAP Summary**

Company Name: BearingPoint
CAGE: 54321
Date Completed: 3/18/2009
Completed by: Joe Vendor
Solicitation Number: SP000000R9999

(Formerly PIIN)

+

### Part 1 - S&S Coverage Capability

Additional quantities of an item that must be shipped to DLA for each 30-day period, assuming you receive the order up to the full quantity at the beginning of each period.

NSN/GROUP	MWR	UI	Offered Amount	Offered Interval	Ramp Up Time In Days (If Needed)				Limitations	
0000-00-000-0097	12	EA	20	30	0	0 0 N/A 0 External Supplier		External Supplier		
5960-00-000-0023	24	EA	40	30	0	0	N/A 0 External Supplier, Inventory			
5960-00-000-0051	65	EA	75	30	0	0	N/A	0	Production	
0000-00-000-0154	500	EA	12	30	0	0	N/A	0	Inventory	Labor, Capacity
0000-00-000-0368	32	EA	42	40	5	90	After Contract Receipt	0	Production, External Supplier	Leadtime

- Review
- Edit
- Print
- Submit with Offer

#### Part 2 - Description of Constraints

The Offeror certifies that the constraint is factual.

Catagory	Constraint Description								
External Supplier Leadtime	Prepositioning critical lead time components will increase DBI's amounts available								
Labor	Strike resolution.								
External Supplier Capacity	No longer served by DHL.								

### Part 3 - Proposed Solutions & Government Investments Required to Obtain S&S Coverage Capability

#### Part 3.1 - Coverage to be Gained

The Offeror certifies that they cannot deliver the stated quantities according to the surge delivery schedule without implementing the proposed solution. The Offeror also certifies that the solution offered is the most efficient method to resolve the S&S capability shortfall. If a government investment is required it is indicated in Section 3.2.

Numbers reflect data after the Proposed Solution is implemented.

NSN/GROUP	MWR	MWR UI		Amount Interval		Rampup Time End Days		Comments
0000-00-000-0154	500	EA	0	30	0	0	120	
0000-00-000-0368	32	EA	32	30	0	0	0	

#### Part 3.2 - Funding Requirement to Obtain S&S Coverage

Costs applicable to coverage gained on items in Part 3.1.

#### Investment Cost Details

	Purpose											
Long Lead-Time Components	sadfhisykg	One Nijn	\$500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

#### Part 4 - Group Items Detail

Here is a break down of which items are incorporated into the groups mentioned above.



Part 5 - Uploaded

\_\_\_\_

There are no Uploads for this Cap

Shortfall (Warstopper)



- Provide incentives for lean manufacturing initiatives
- Provide industrial equipment
- Stage raw material and subcomponents
- · Industrial base maintenance contracts to maintain domestic industry
- Supplement vendor's inventory to guarantee access to commercial inventory





**Class IX - Batteries** 



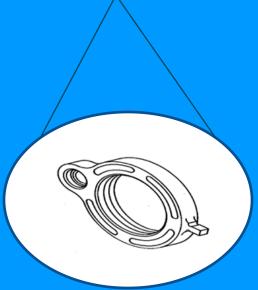
**Operational Rations** 



Class IX
Cesium Lamp

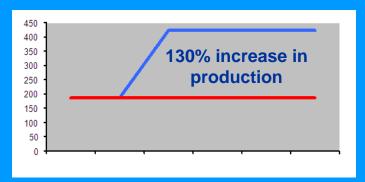
## EXECUTION — WARFIGHTER SUPPORT





Hydraulic Motor Transmission Race

- Critical transmission part for the Bradley
   Fighting Vehicle (BFVS) requires special steel
- BFVS transmission cited as number 2 of top 5
   Army readiness drivers
- Pre-positioned raw material and material rotation reduced the lead time for 571 to 77 days
- Reduced backorders



Wartime Demand Surged <u>1300%</u> above peacetime levels

## EXECUTION — WARFIGHTER SUPPORT





Aircraft Hydraulic Tubing

- 84 different, low peacetime demand hydraulic tubes
- Tubes share similar components and manufacturing processes
- Contractor increased raw material safety stock at no cost
- Reduced Production Lead Time form 508 to 129 days and 75 days in Wartime

Surged 1000% above peacetime levels

## EXECUTION — WARFIGHTER SUPPORT





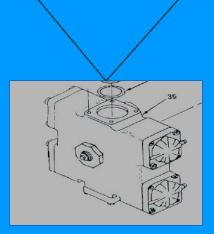
**Cesium Lamp** 

- Cesium lamp defeats Infrared (IR) missiles
- Low peacetime demand/High Wartime demand
- Staged raw materials & subassemblies at BAE
- Reduced Production Lead Time from 360 to 30 days (Sapphire crystal has 4-month lead time to "grow" in lab

Reduced backorders in ½ over 6-months

### EXECUTION — WARFIGHTER SUPPORT





**Diaphragm Assembly** 

- Critical valve system used on Reverse Osmosis Water Purification Unit (ROWPU)
- Sole source manufacturers' plant was destroyed by Hurricane Katrina – lost item production ~ 1 year
- Urgent request from Iraq for help with this part to keep systems running
- Surge & Sustainment coverage kept24 ROWPUs operating

Continuity in water supply for troops in theater

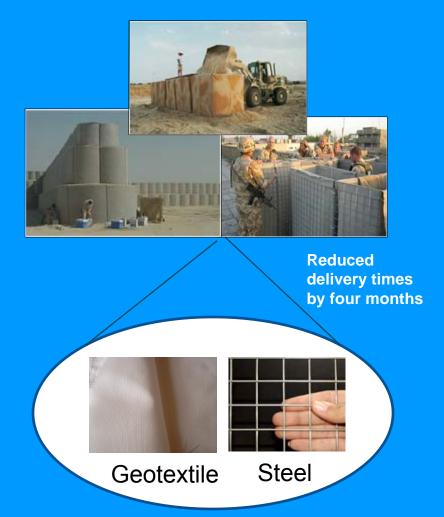
## EXECUTION — WARFIGHTER SUPPORT



Reduced production lead time – 200 to 63 days



Nut, clip-on



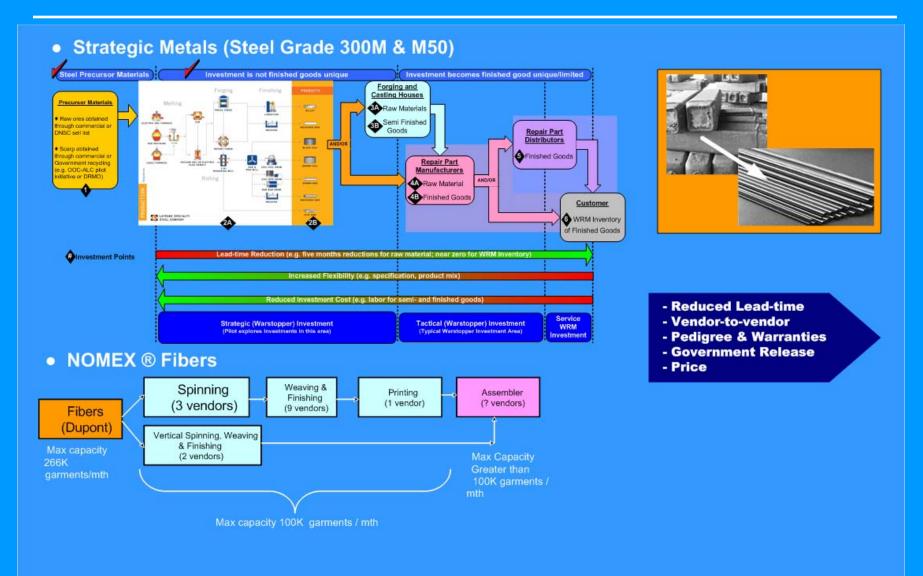
Industrial Capability & Material Readiness

## STRATEGIC MATERIAL READINESS INITIATIVES

## Strategic Material Readiness Initiatives

AREA	WARSTOPPER Strategic Material Project	DNSC Strategic Material Security Program
Focus	Wartime Surge & Sustainment	Peacetime & Wartime
Level	Sustainment	<ul><li>Weapon System</li><li>Sustainment</li></ul>
Scope	DLA Procured Items	<ul><li>DOD</li><li>Essential Civilian</li></ul>
Primary Method	Vendor-to-Vendor	<ul> <li>Vendor-to-vendor managed inventory</li> <li>Right to recover</li> <li>Government Furnished Property</li> <li>Right to buy</li> </ul>
Expertise	<ul><li>Procurement</li><li>Finished product supply chains</li></ul>	<ul><li>Procurement</li><li>Material Supply Chains</li></ul>

## Strategic Material Project



## Strategic Material Project – Execution

- Interim procedures established –
- Material ready for GBM approved release as vendor-to-vendor sale
- Developing pilot execution test plan

Material Type	Maximum Lead-time	Applications	Specifications	Supported polarization for the contract or individual polarization (Link)     Supported polarization in regulate     Supported polarization in regulate polarization of polarization polarization in the supported polarization in the polarization of polarization in the polarization in the polarization of polarization in the polarizatio	
300M Billets	10 - weeks	Landing Gear	AMS 6257, AMS 6417, AMS 6419, BMS 7-26, C05-1190, CE-0896, CPS 4911, DMS 1935, GM 1012, IGQ 41-11, LAT 1.9042, MIL-S-83135, MIL-S-8844, MTL 1201, S155, ZFNL 9207		
300M (Round bar – BAE added testing)	18 - weeks	Torsion Bars			
M50 (2.76 - 8" Diameter)	14 - weeks Bearings		AMS 6491, CFR 5200, CPW 378, D1198, DMD 119-20, EMS 52491, GE C50TF56, KBM250, MSRR 6083, PWA 725, PWA		
M50 (0.5 -2.75" Diameter)			793 and others	0083, PWA 725, PWA	

(Latrobe), a United St vendor-to-vendor rel	tates domestic n leases. This mat	nII, to provide 300 erial is not Govern	BP), has awarded a contract to Latrobe Specialty Steel Company IM and MSO grades of specialty steel. The material is available for ment Furnished Material (GFM) and all warranties and title transfer to be vendor's contract with Latrobe.
Material Avail		1000	
			<ul> <li>D) manufacturers with valid DoD contracts requiring expedited oduced from established intermediate products (ingots and billets) as</li> </ul>
			may be less depending on the final product required. The listed
			ed for other applications.
approacion is for rete	mente and mete	in may be resear	and not obtain apprications.
Material Type	Maximum Lead-time	Applications	Specifications
300M	10 weeks	Landing Gear	AMS 6257, AMS 6417, AMS 6419, BMS 7-26, C05-1190, CE-0896, CPS 4911, DMS 1935, GM 1012, IGQ 41-11, LAT 1.9042, MIL-S-83135, MIL-S-8844, MTI, 1201, S155, ZFNI, 9207
300M (BAE additional testing)	18 Weeks	Torsion Bars	AMS 6257, AMS 6417, AMS 6419, BMS 7-26, C05-1190, CE-0896, CPS 4911, DMS 1935, GM 1012, IGQ 41-11, LAT 1.9042, MIL-S-83135, MIL-S-8844, MTI, 1201, S155, ZFNL 9207
M50 (2.76 - 8" Diameter)	14 Weeks	Bearings	AMS 6491, CFR 5200, CPW 378, D1198, DMD 119-20, EMS 52491, GE CS0TFS6, KBM250, MSRR 6083, PWA 725, PWA 793 and others <sup>1</sup>
MS0 (0.5 -2.75*	14 Weeks	Bearings	
Diameter) Terms			
Terms Material pricing is pe determine applicable Release Proce Vendors may request dosc.smp@dla.mil. h	edures t a release throu Mr. Ralph Ellison	perial releases are gh the Governmen Primary Governm	role. If you do not have an existing contract, request a quote to on a Latrobe-to-vendor basis and are not GFM.  It Buffer Manager (DBM) by submitting requests via email to ment Buffer Manager, can be reached at (703) 767-5495 and Mr. Bryan reached at (701) 767-6495.
Terms Material pricing is per determine applicable Release Proce Vendors may request dnsc.smg@dla.mi. h Harden, Alternate Go	e pricing. All materials and a release throught. Raigh Ellison, overnment Buffe	gh the Governmen , Primary Governm r Manager, can be	on a Latrobe-to-vendor basis and are not GFM.  It Buffer Manager (GBM) by submitting requests via email to nent Buffer Manager, can be reached at (703) 767-5495 and Mr. Bryan
Terms Material pricing is per determine applicable Release Proce Vendors may request dnsc.smg@dla.mi. h Harden, Alternate Go	e pricing. All mat edures t a release throu Mr. Ralph Ellson overnment Buffe ote or existing or	gh the Governmen Primary Governmen r Manager, can be der number from	on a Latrobe-to-vendor basis and are not GFM.  11 Buffer Manager (188M) by submitting requests via email to nent Buffer Manager, can be reached at (703) 767-5495 and Mr. Bryas reached at (703) 767-5483.
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Terms Material pricing is perdetermine applicable Release Proce Vendors may request dnsc.sme@dla.mi h Harden, Alternate Ge 1. Obtain a que 2. Provide GBN a. Reci	e pricing. All mat edures t a release throu Mr. Ralph Ellison, overnment Buffe ote or existing or A with the follow	gh the Governmen Primary Governm r Manager, can be der number from ing:	on a Latrobe-to-vendor basis and are not GFM.  It Buffer Manager (DBM) by submitting requests via email to sent Buffer Manager, can be reached at (703) 767-5495 and Mr. Bryas reached at (703) 767-5483.  Latrobe Specially Steel Company
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## National Defense Stockpile - History

- Shortages of WWI War Industries Board recommends setting aside critical materials
- National Defense Stockpile (NDS) Program 1939
- Executive Order 12626 designated the Secretary of Defense as the "Stockpile Manager"
- Fiscal Year (FY) 1994, Congress authorized the sale of excess NDS inventory
  - Since 1994, commodity sales have totaled approx \$7B
  - Market value of remaining NDS inventory is approx \$1.6B
- 2006, concerns raised about DOD's ability to supply material for defense programs given current market conditions & increasing reliance on foreign sources of supply



## National Defense Stockpile - ?

- In 2006, House Armed Services Committee (HASC) asked for review of DOD policy to dispose of NDS materials
- In 2007, Independent Study conducted by National Materials Advisory Board (National Academy of Sciences)
- In 2008, Senate Appropriations Committee (SAC) asked DoD to:
  - Describe materials critical to strategic defense interests
  - Describe domestic suppliers and their reliance on foreign sources of production
  - Describe foreign countries' efforts to stockpile critical material
  - Describe steps to ensure availability during protracted conflict
- In 2008, USD (AT&L) established a Working Group (WG) to review NAS report findings and address issued raised by Congress
- Conclusion: Establish Strategic Material Security Program (SMSP)

## SMSP Status

- Report sent to Congress April 2009
- Briefed House Arms Services Committee (HASC), subcommittee on Readiness
  - Received positive/favorable response



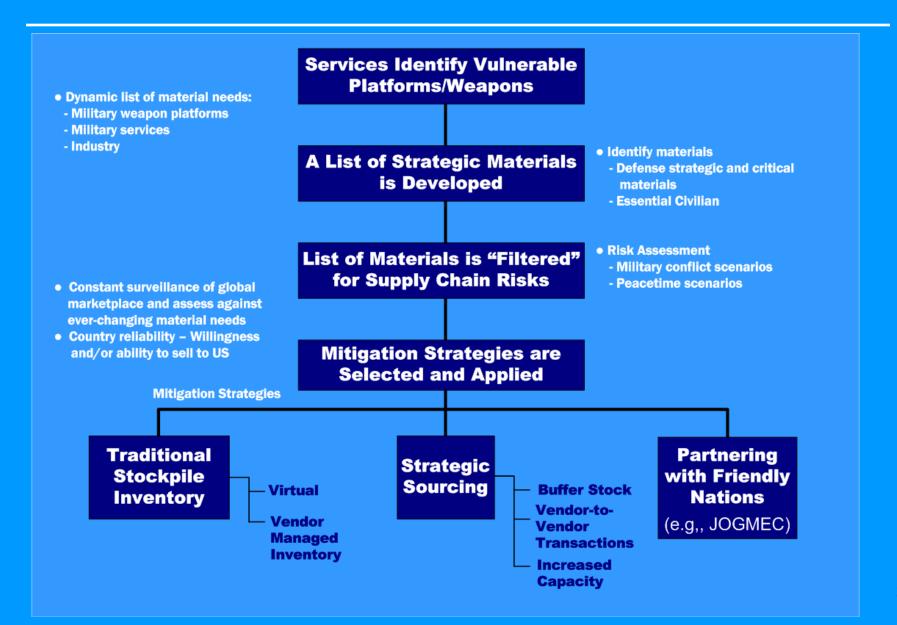




## SMSP Program Concept

- Integrated, interagency approach to strategic materials management
- Military material needs in scenarios ranging from non conflict to full mobilization
- Essential civilian requirements
- Ability to quickly adapt to global market conditions to ensure material availability
  - Wide variety of risk mitigation strategies
  - Develop risk-based value propositions
  - Programmatic flexibility to efficiently and effectively acquire the right materials

### **SMSP Process**



### Risk Assessment Factors and Conditions

#### **Factors:**

- Changes in global market conditions
- Economic changes
- Geo-political issues
- Competition for scarce/limited resources
- Changes in U.S. industrial base
- Loss of access due to natural/man-made disasters

#### **Conditions:**

- National security emergency scenarios, and
- Peacetime supply disruptions scenarios

### **DNSC Services**

- Material expertise and acquisition support
- Material risk assessments
- Provide/implement mitigation strategies
  - Ensure availability of materials
  - Lead-time reduction
  - Cost Reductions/Avoidance
- Buying agent; drawing on leveraging quantities to benefit DoD by consolidating requirements

## DNSC Benefits to Military Services

#### Recognized as material experts

 with global market understanding and ability to maneuver in markets without undue disruption

### Act as your buying agent

- can support military services by ensuring timely availability of materials needed to satisfy defense contracts
- Predictable price
- Provide "Right-to-recover" opportunities

### Perform role of logistics facilitator

 Ensuring the release of materials to DoD contractors, shielding the defense contracts from surging market prices and ensuring the integrity of the materials certifications

### **SMSP Execution**

DNSC issued solicitation to procure titanium:

Navy Requirement: 50,400 to 268,800 lbs over 4 years

Army Requirement: 10,000 to 100,000 lbs annually;

provided 10,000 lbs of offal material as

feedstock

- Solicitation incorporated:
  - Army receive a "credit" for the offal material provided as feedstock
  - "Right to recover" opportunity included
- Small scale procurement for Army resulted in approximately \$1M cost avoidance
- Collaborating with Army to expand the procurement to a much larger scale

## Readiness Initiatives - Next Steps

- Outreach to Military Services and industry to learn about material needs and issues
  - Attendance at DoD sponsored conferences (e.g., DMC)
- Establish a process to compile "live" data on materials used in weapon systems
- Phase 1 of Strategic Material Management System (S2SM) to support Strategic Material Project (SMP)

#### S2MS Phase 1

- Management tool for strategic materials
- Collect part to material mapping (requirements)
  - Defense material requirements
  - Identify material for risk assessment
  - Impacts of MERIT & REACH
- Catalog of available materials (risk mitigation strategies)
- Coordinate material release requests (execution)

Material Availability Summary:								
Company: CAGE/DUNS: MAN9X Completed By: Evgeni Malkin Inquiry Reference: 577650678								
<u>Material Available</u>								
Part Number	Part Name	Material Grade	Specification	Form	Available	Source	Request Release	Request Assistance
200	Torsion Bar Left	300M	BMS 7-26	Bar, Round	Yes	Smith Steel	<u> </u>	
201	Torsion Bar Right	M50	PWA 725	Bar, Round	Yes	Davey Jones Locker		-



## BRAC 2005 Supply and Storage Decisions





Land & Maritime Supply Chains Business Conference & Exhibition August 2009







## **BRAC 2005 - Why?**



## Why BRAC 2005? 2



BRAC 2005 allowed DOD the opportunity to asses its installation infrastructure to ensure it is best sized and positioned to support emerging mission requirements for our national security needs.



## Strategic Principles



- ✓ Maximize warfighting capability efficiently
- ✓ Realign our infrastructure to meet the future defense strategy
- ✓ Capitalize on opportunities for joint activity
- ✓ Eliminate excess capacity to maximize operational capability







## **BRAC 2005 – What?**



#### What is BRAC 2005?



The Office of the Secretary of Defense (OSD) outlined three Supply and Storage decisions as part of BRAC 2005:

- ➤ Commodity Management Privatization
- ➤ Depot-Level Reparable (DLR) Procurement Management Consolidation, including Consumable Item Transfer (CIT)
- ➤ Supply, Storage, and Distribution (SS&D)

  Management Reconfiguration



#### **BRAC** is Law



#### BRAC legislation...

#### DLR

Transfers the procurement management of all new military service DLRs to DLA

#### SS&D

- Consolidates the supply, storage, and distribution functions and associated inventories at the current DLA Defense Distribution Depots with the military services' maintenance activities to support operations, maintenance, and production
- Creates four CONUS support regions, each having one Strategic Distribution Platform (SDP) and one or more Forward Distribution Points (FDP)





# Depot-Level Reparable (DLR) Procurement Management Consolidation



## What is...a DLR?







## Depot-Level Reparable The Decision



...realigns or relocates the procurement management and related support functions for the procurement of depot-level reparables (DLR) to the Defense Logistics Agency....

Saves DOD \$ by leveraging all procurement buys and managing them within a single agency!



### Depot-Level Reparable Post-BRAC Business Model



A single, integrated new DLR procurement management provider supporting all Service requirements by FY 11:

- A single face to industry for all new DLR procurement
- DoD fully leveraging its DLR buying power
- Reduced inventory
- Commercial partners maintaining a single procurement management strategic partnership
- Four military Service Inventory Control Points close



Raytheon Moog

United Defense LP/BAE

Alcoa Global Fasteners

Aircraft Braking Systems

Warren Pumps

Avibank York

## DLA Strategic Partners & Top MILSVC Suppliers



#### Synergy Across Military Services – Opportunities to

**Leverage DoD Buying Power** 

Military Service Top Vendors (2003-2005)						
DLA Strategic Partners	Air Force	Army	Navy	Marine Corps		
General Electric	General Electric	Goodyear	General Electric	Canadian Commercial Corp		
Boeing	United Technologies	AM General	Bell Boeing Joint Project Office	Raytheon		
Textron	Dynamic Gunver Technologies	Boeing	Boeing	Ronal Industries		
Oshkosh	GKN Aerospace	Lockheed Martin	Sikorsky	Rodelco Electronics		
Honeywell	Rolls Royce	Oshkosh	All Tools Inc	Mantech Systems Engineering		
Rolls Royce	Parker Hannifin	Purdy Corp	Raytheon	Lockheed Martin		
AM General	Kaiser Electronics	Honeywell	Lockheed Martin	L-3 Communications		
Goodrich Corp	Northrop Grumman	General Electric	Bell Helicopter/Textron	Northrop Grumman		
Parker Hannifin	Raytheon	Bell Helicopter/Textron	Hamilton Sundstrand	Centron Industries		
Sikorsky	Goodrich Corp	DRS Optronics	Rolls Royce	Wendon Company		
Hamilton Sundstrand	Hamilton Sundstrand	General Dynamics	Canadian Commercial Corp.	Carleton Life Support Systems		
Dresser Rand	CFM International	Raytheon	Northrop Grumman	Harris Corp		
Eaton Corp	BAE Systems	Pacific Harness and Cable	BAE Systems	Detroit Diesel		
Canadian Commercial Corp	Honeywell	Sikorsky	United Technologies	Oshkosh		
Pratt & Whitney	Boeing	CE Niehoff & Co	L-3 Communications	Aegis Power Systems		
Northrop Grumman	AAR Parts Trading Inc	Fenn Manufacturing		Communications & Power Industries		
Lockheed Martin	EFW Inc	Hutchinson Industries		Sensis Corp		
General Dynamics		GTA Containers		System Technical Support Corp		
BAE Systems		Cummins Inc		General Dynamics		
Smiths Aerospace			•			





Avibank

York

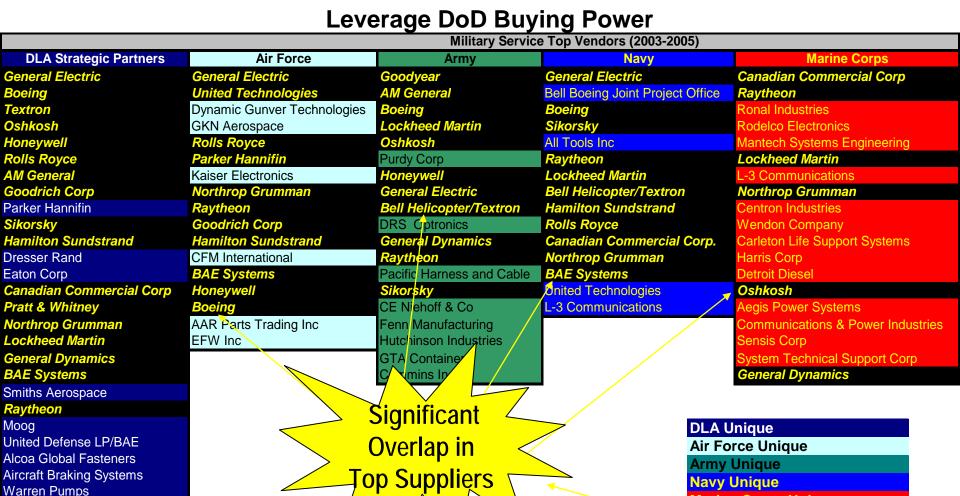
## DLA Strategic Partners & Top MILSVC Suppliers



**Marine Corps Unique** 

DLA/Military Service Common

Synergy Across Military Services – Opportunities to





## **BRAC 2005**





## Implementation



#### Columbus BRAC Team



#### Don Schulze, Chief of Columbus BRAC Office

Responsible for the successful implementation of all BRAC 2005 Decisions.

#### Natalie Alter, DLR Lead

Responsible for project management of LOGCOM, Rock Island and CECOM.

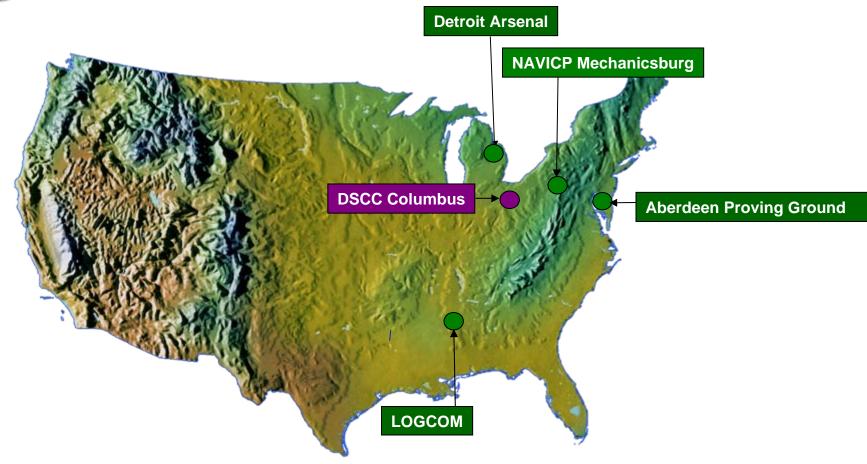
#### **Joel Peck, Transformation Manager**

Responsible for working closely with each DLR Chief of Contracting Officer and each SS&D Site Commander to ensure the transition from the services to DLA is smooth.



## DSCC's DLR BRAC Locations









## **Chief of Contracting Officers DSCC Detachments**



Culture



Mr. Doug Nevins **DLA Mechanicsburg** 



Ms. Ellen Dennis DLA Warren





## DLA Mechanicsburg Topics We'll Cover



- Our Organization
- Our Customer
- Our Supplier Partners
- Business Opportunities









# DLA Mechanicsburg... Our Organization



We contract for Navy Depot Level Reparables



Spend ~ \$250M per year Award ~ 8000 Contracts

<u>Director</u> Doug Nevins



HM&E Department
Jim Komaromy



Communications & Surv. Dept
Jim Hartman



Combat Systems Department
Tony Abate



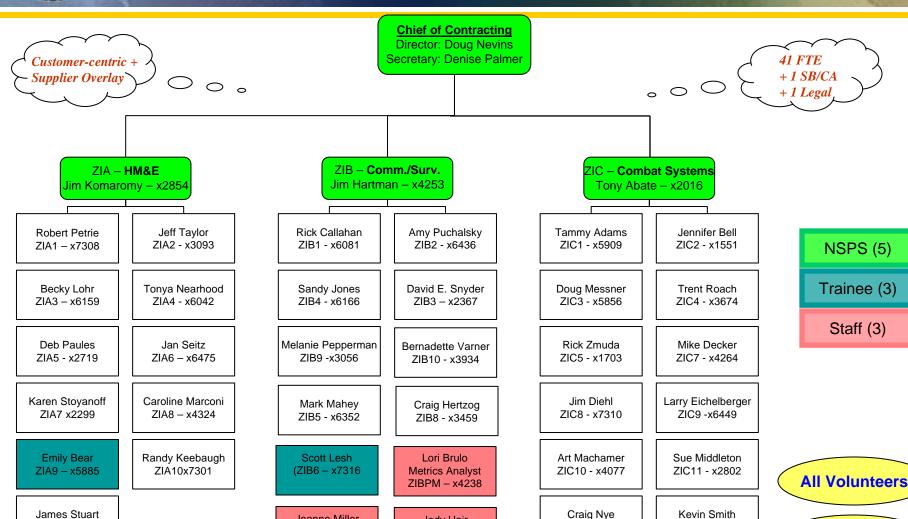
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## **DLA Mechanicsburg... Our Organization**



All have Warrants

(except Trainees)



Jody Hair

**Proc Support** 

ZIBPT - x3355

Joanne Miller

Resource Mgt

ZIBPA - x1303

Michael Allerdyce ZIC6 - x4436

ZIC12 - x2713

ZIC13 - x1435



# DLA Mechanicsburg... Our Customer - NAVICP









Since 1995 ... One Command Two Sites

110 mi on PA Turnpike

NAVICP-M

NAVICP-P





## **DLA Mechanicsburg...** Who we Support for NAVICP





2,425 Aircraft 0,161 Aircraft Engines 14 Air Launched **Missile Types** 

11 Carriers 70 Submarines 205 Surface Ships 104 Nuclear **Reactor Plants** 

> Over 80 Countries 2,249 Aircraft 652 Ships

#### **ASHORE**







Naval **Air Stations** 

Marine Corps **Air Stations** 

Other Services and **Gov't Agencies** Coast Guard









**Program Managers** 

#### **MAINTENANCE**







Navy **Depots** 

Other Service **Depots** 

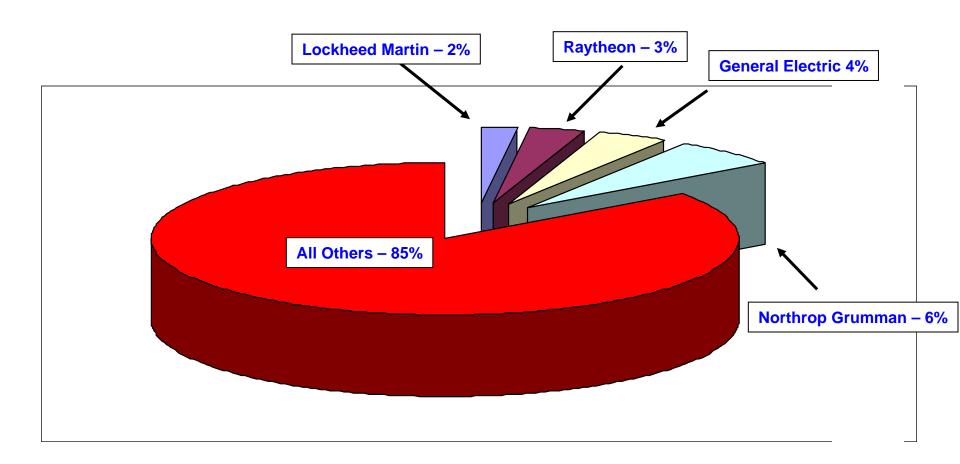
Contractor **Depots** 

**FOREIGN MILITARY SALES** 



# DLA Mechanicsburg... Our Supplier Partners





FY08 Spend \$245M to 1,284 Vendors – "Dispersed Spend" 50 CAGES over \$1M – 363 CAGES over \$100K

## DLA Mechanicsburg...







- Navy Web-Site (used by DLA Mechanicsburg)
- Synopses & open solicitations are posted for public viewing
- Vendors view/download solicitations with link to order or view drawings for a solicitation
- Vendors may submit "quotes" electronically
- Vendors may register for automatic notice of Navy business opportunities by Navy Activity (SPRMM1) by Federal Supply Class
- Vendors may register for automatic email notice of Award Contact PCO



# **DLA-Warren**

# **Overview and Opportunities**



18-19 August 2009 Presented by: Ellen Dennis



#### What is DLA-Warren?

#### **BRAC 2005 Decision:**

- Class IX items (DLR parts) transfer from Services to DLA
- "As is / Where is" Philosophy
- 9 Detachments planned throughout U.S.
- DLA Warren reports to DSCC
- Virtually no difference except Solicitation and Award numbers changed from "W56HZV" to "SPRDL1"



#### DEPOT LEVEL REPARABLES

#### Weapon Systems:

- MRAP
- HEMTT
- HMMWV
- ABRAMS
- BRADLEY
- CRANES
- LOADERS
- TRUCKS
- PALADIN/FAASV
- TRAILERS
- M113 FOV

#### **Support Items:**

**Transmissions** Containers **Engines** Compressors **Pistons Tool Kits** Crankshafts Tool Sets Valves Generators Wiring Harnesses Axle Assemblies **Pumps** Road wheels Cylinder Nozzles Assemblies Fuel Tank Track Wheel & Tire Winches Assemblies Radiators **Bodies** Hydraulics **Brake Parts** 

#### **Customers:**

- TACOM LCMC ILSC
- MRAP PM



#### WEAPON SYSTEMS WE SUPPORT



**ABRAMS TANK** 



**IHMEE LOADER** 



**JLG CRANE** 



**M113 FOV** 



M915 HEAVY TRUCK



M1095 5 TON TRAILER



#### WEAPON SYSTEMS WE SUPPORT



**BRADLEY FIGHTING VEHICLE** 



**MRAP** 



**OSHKOSH HEMTT** 



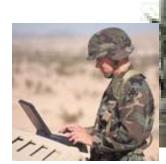
**PALADIN** 



**DLA's Land and Maritime Supply & Demand Chain Manager** 

















What are the types of parts we buy? Here is a sample...

...Accelerometer, Armor, Bearings, Brackets, Cables, Cylinders, Display, Drive Unit, Electronic Assembly, Engine, Feeder, Fixture, Gage, Gearbox, Harness, Hose, Illuminator, Indicator, Keyboard, Kit, Laser, Launcher, Manifold, Microcircuit, Navigation, Neck assy, Optics, Panels, Plates, Range Finder, Regulator, Semiconductor, Sensor, Thermal Imaging, Tool Kit, Utility Box, Valve, Window, Wiring Harness, Yoke...



We are still part of the TACOM Community!

DLA WRN uses TACOM PROCNET to post opportunities:

http://contracting.tacom.army.mil

Again, no difference to vendors when bidding on TACOM or DLA-WRN solicitations



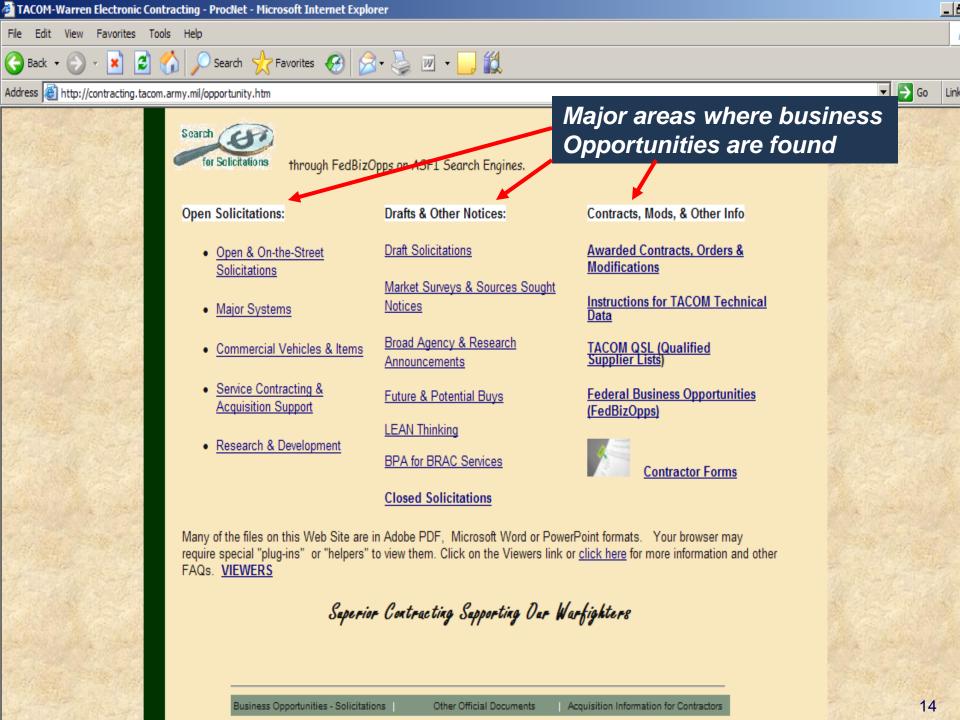


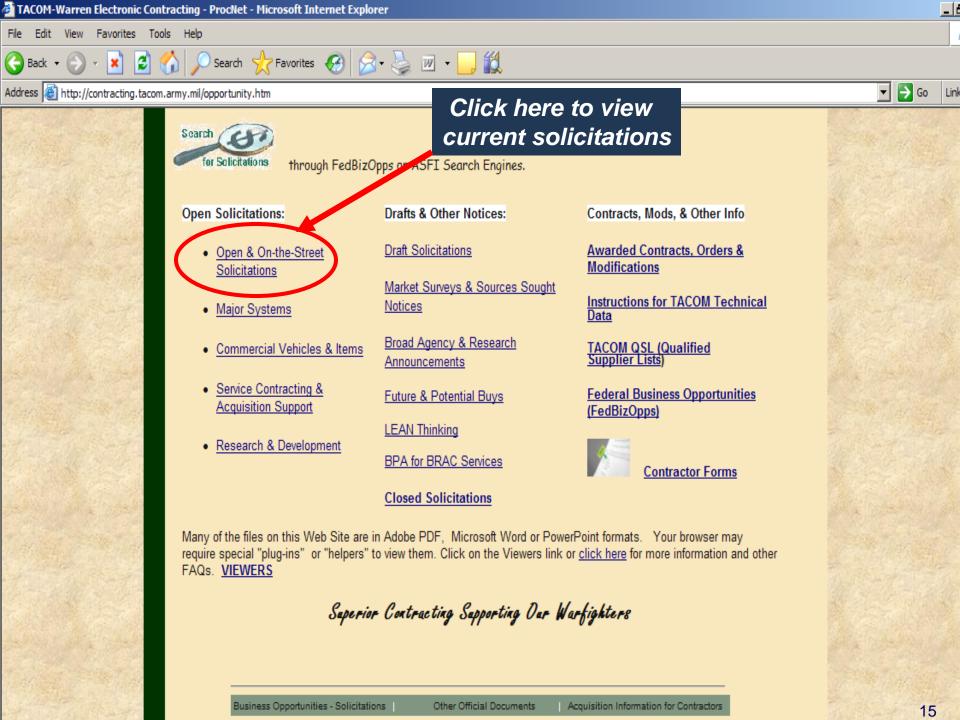


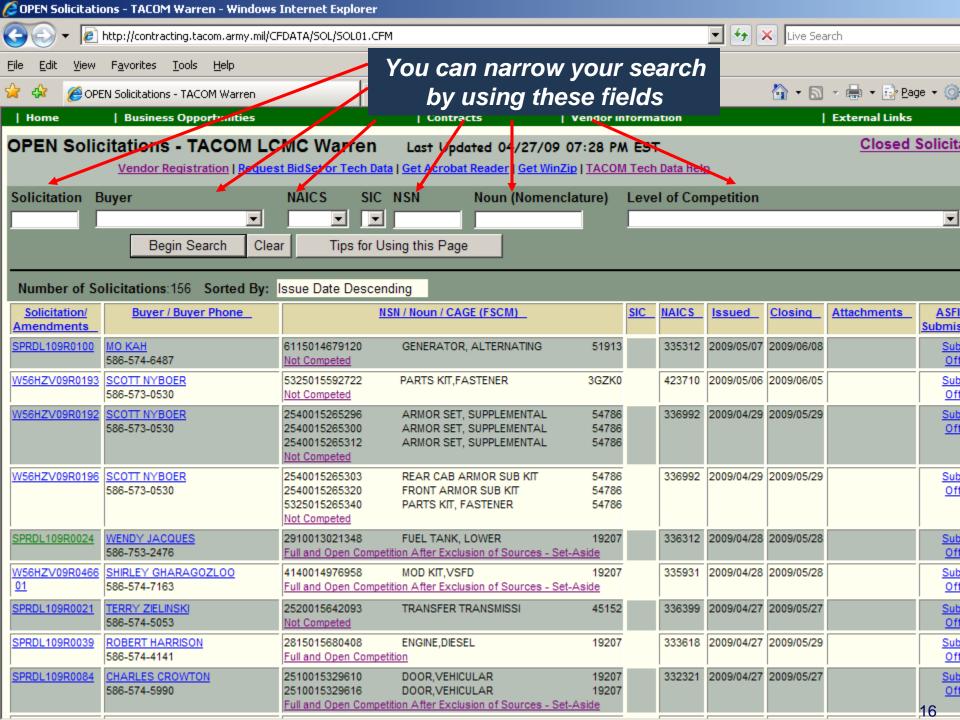


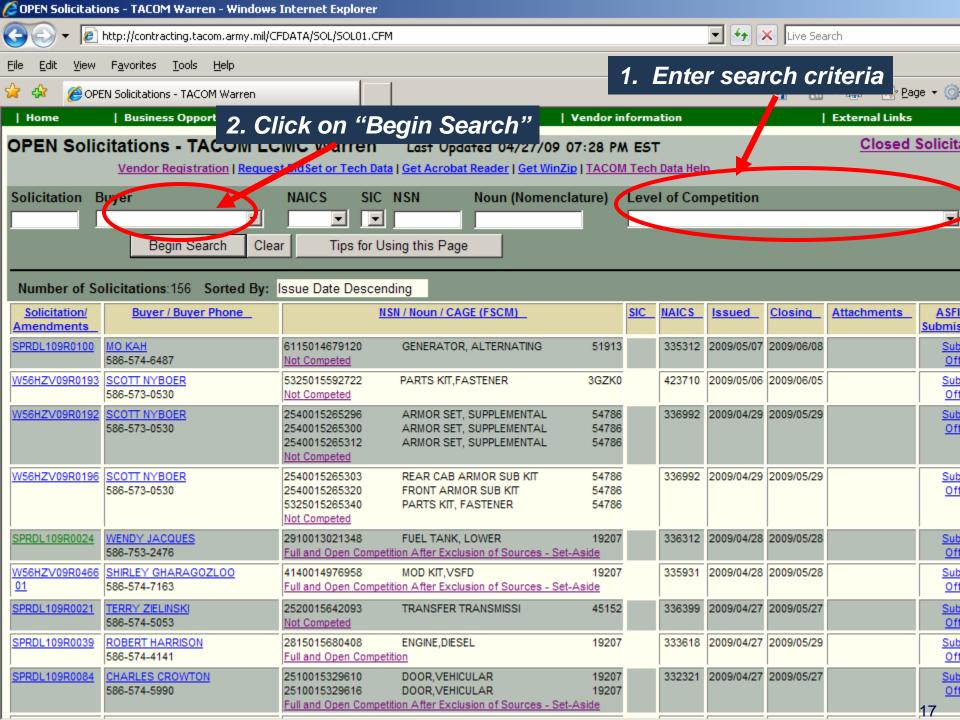
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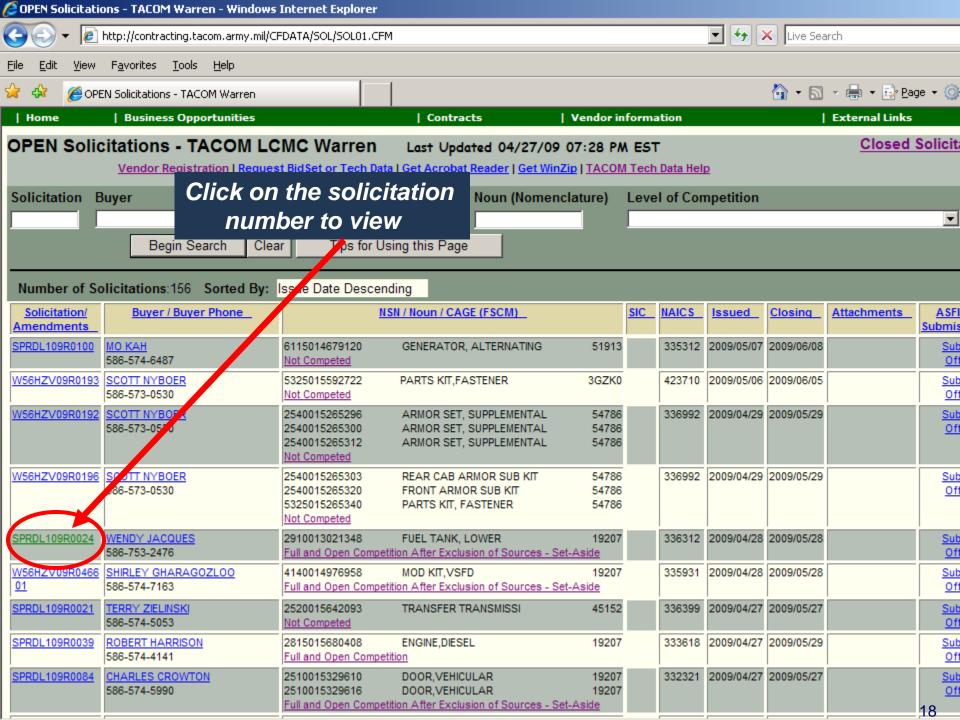


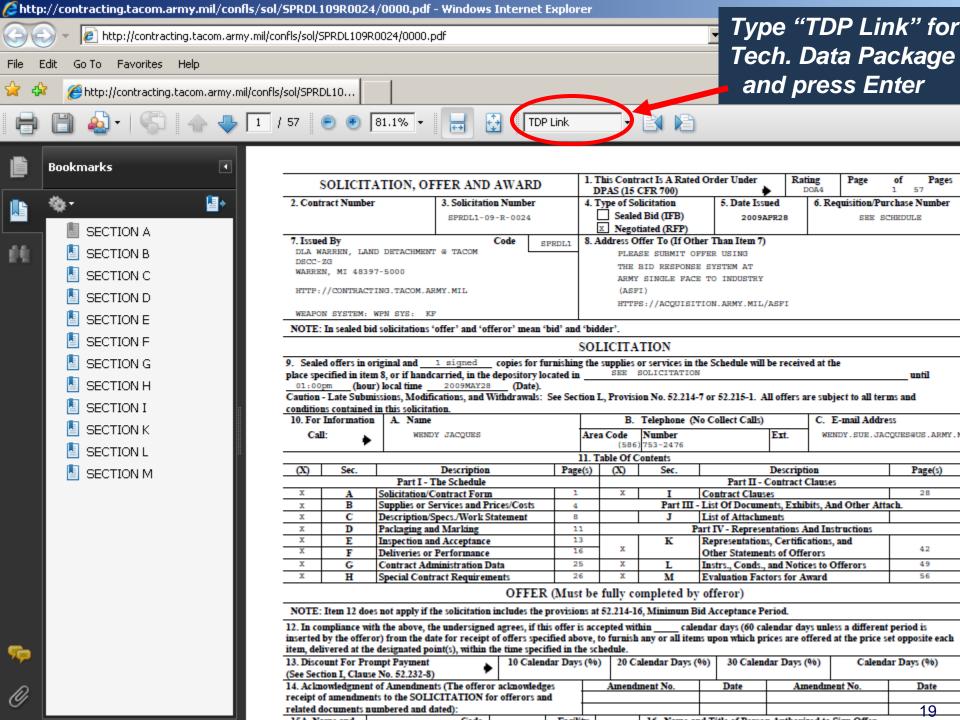


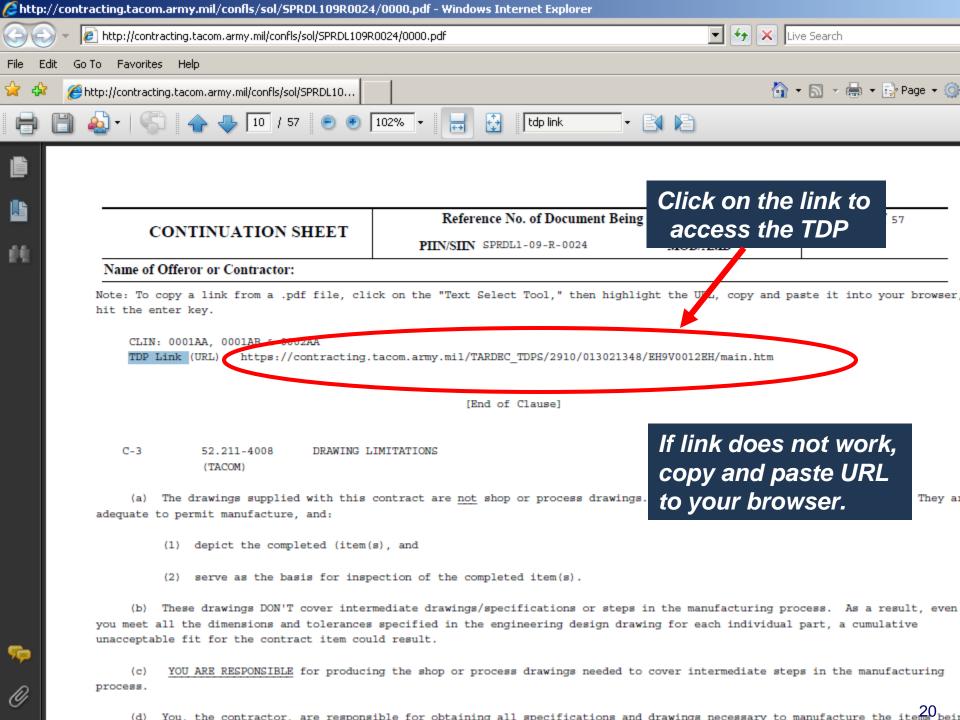














# Click on each topic for technical data

on this item

#### Warren, Michigan 48397-5000

TECHNICAL DATA PACKAGE	12361460	19207
DOCUMENT NUMBER		
TDP DATE	12/31/2008	
SPECIFICATION		
NATIONAL STOCK NUMBER		
NOMENCLATURE	FUEL TANK,	LOWER

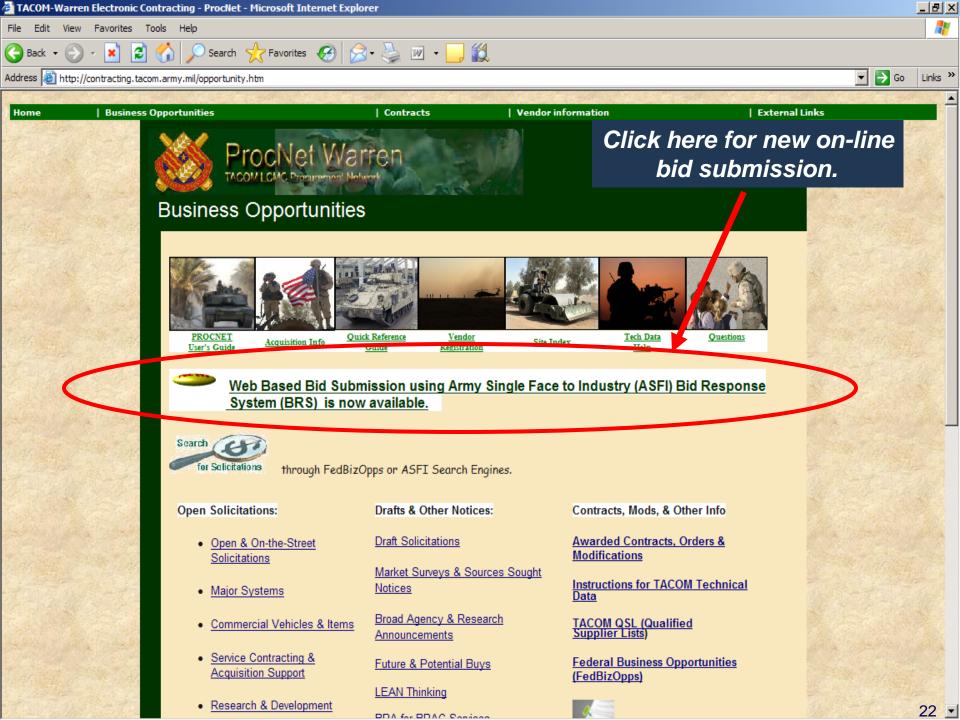
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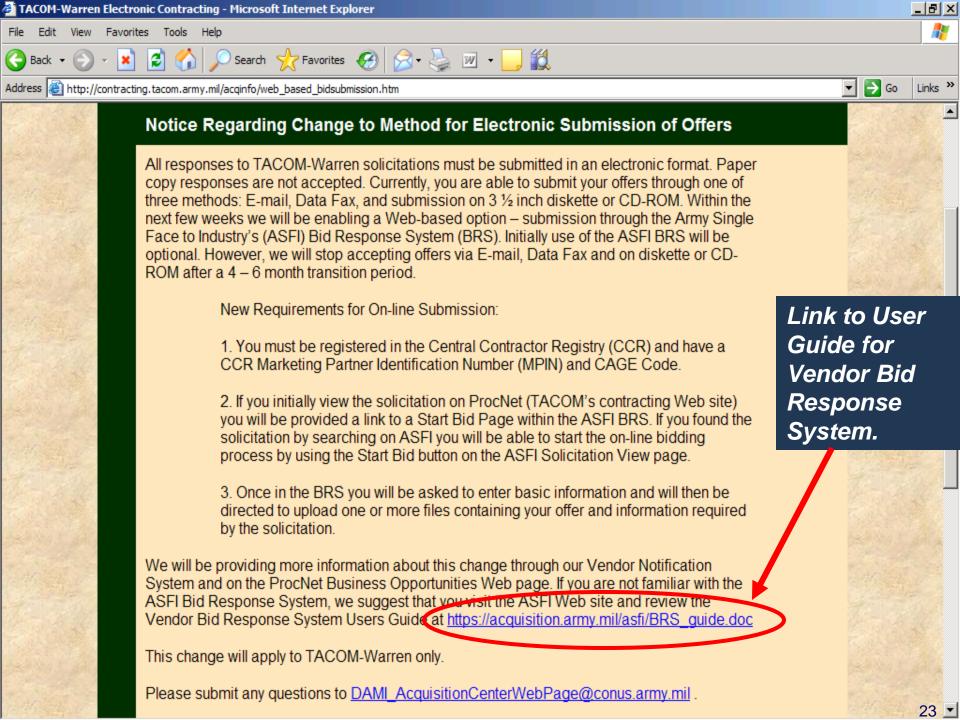
2. THIS TOP IS COMPPICED OF THE FOLLOWING SECTIONS WHICH SHOW PRODUCT STRUCTURE AND LIST THE DRAWINGS AND ASSOCIATED DOCUMENTS (WITH THEIR REVISION AND AMENDMENT LEVELS) REQUIRED TO PRODUCE AND INSPECT THE MATERIAL BEING PRODUCED.

- PRODUCT STRUCTURE
- PRODUCT DRAWINGS
- QUALITY ASSURANCE DOCUMENTS
- APPLICABLE SPECIFICATIONS AND STANDARDS
- REPLACED SPECIFICATIONS AND STANDARDS
- APPROVED ENGINEERING CHANGES OUTSTANDING

3. THE SPECIFICATIONS AND STANDARDS SECTION OF THE TOT IS A COMPILATION OF ALL SPECIFICATIONS AND STANDARDS WHICH ARE ESSENTIAL FOR BID AND MANUFACTURING PURPOSES. THE ABSENCE OF ANY SPECIFICATION OR STANDARD FROM THE LISTING WHICH IS OTHERWISE REFERRED TO IN ANY SPECIFICATION OR STANDARD LISTED THEREIN OR IS CALLED OUT ON A PRODUCT, PACKAGING OR INSPECTION DRAWING IS NOT TO BE CONSTRUED AS CONSTITUTING RELIEF FROM REQUIREMENTS OF THE SPECIFICATIONS. THE AMENDMENT OR REVISION LEVEL FOR SUCH UNLISTED SPECIFICATIONS AND STANDARDS SHALL BE AS SPECIFIED IN THE LATEST ISSUE OF DOD INDEX OF SPECIFICATIONS AND STANDARDS IN EFFECT AS OF THE DATE OF THIS TOP

[DownLoad TDP (3127 KB)ZIP|Instructions|TACOM Procurement Network|Security Notice]







# Procurement Technical Assistance Centers (PTACs)

#### What are PTACs???

Government funded local resources available across the country providing assistance in marketing your products and services to Federal, state and local governments

### **PTAC Goals:**

- Help small businesses be competitive
- Explain the complexities of Government procurement
- Encourage economic development through job retention and creation
- Build strong contractors through targeted training and one-on-one assistance



#### **CONTACT INFO FOR DLA-WARREN:**

Mary Lou McCullough

Chief, Acquisition Division

PH: 586.574.7653

mary.l.mccullough@us.army.mil

Scott Rybicki

**DLA-Warren Small Business Specialist** 

PH: 586.753.2794

scott.rybicki@dla.mil





# Maritime Federal Supply Class **Supply Chain Partnership** (FSC-SCP) Initiative

2009 Land & Maritime Supply Chains Business Conference and Exhibition Maritime FSC-SCP Breakout Session

> **Kreston Harris** Matthew Woolstenhulme



## Agenda



- Highlights of the FSC-SCP Solicitation
  - Section A, General Information
  - Section B, Schedule of Supplies
  - Section C, Performance Work Statement
  - Section F, Deliveries or Performance
  - Section I, Contract Clause Continuations
  - Section L, Instructions to Offerors
  - Section M, Evaluation Commercial Items
- Questions, Comments, Feedback



### **General Information**



- FAR Part 12
- Primarily Customer Direct (CD) with TDD
  - Allows for DLA Direct (stock) orders
  - All shipments will be to CONUS locations
  - FOB Destination
- 16 FSC Groupings of NSNs
  - 8 Total Small Business Set-Asides
  - 8 Unrestricted
- Contractor functions will include forecasting, owning/managing inventory, warehousing, and distributing supplies
- Fixed Price with EPA and Incentives
- 3-year base period with two 1-year options



### **General Information**



#### Market Basket Approach

- Core NSNs priced prior to award
- Non-core NSNs priced after award

#### Pricing

- CLIN 1: Material, packaging, and inbound freight for CD orders
- CLIN 2: % for supply chain management cost by NSN
- CLIN 3: % adjustment for stock orders

#### Four Phases

- Four FSC Groupings in each phase
- Pricing for Core NSNs due per the schedule
- A Technical Proposal must be submitted 30 days after solicitation issued if offering on any phase. Updates can be made at later phases.
- Other than Cost and Pricing data may be required



## Schedule of Supplies



- Awards All or None per FSC Grouping
  - 16 Separate contracts
- Section B Spreadsheet
  - Must be completed and burned to a CD
  - Input sheet for offeror pricing
  - Input sheets for QPL proposed and FAT
  - PIDs, Packaging, and NSN specific data
  - Listing of the Non-core NSNs
- Surge Plan Required for NSNs with "MWR" quantities



### Performance Work Statement



- Participation in an Supply Chain Alliance required
- Implementation Phase
  - Customer Direct orders (by NSN)
    - Based on PLT
    - DLA will draw down existing stock before orders issue
    - Data sharing
  - Stock orders
    - Contractors shall be ready to support stock order 45 days after the effective date
- Performance Metrics
  - On Time Delivery tracked by ELLIS via EDI transactions
- Performance Review Meetings
- Customer Support 24 / 7 / 365
- Small Business Goals for Unrestricted FSC Groupings



### Performance Work Statement



- 100% Conforming material required
- QSLD or Traceability for 5961 and 5962
- Fast Pay authorized when applicable
- Contractor database and accessibility
  - Includes delivery performance, quality compliance, inventory levels, PLT, backorder data
- 21N Requirements
- Transition Year
  - Required inventory levels
  - Contractor must perform until required inventory levels depleted
  - Residual inventory buy back
    - Required inventory levels minus orders issued



### Deliveries or Performance



- TDD for Customer Direct Orders
  - 4, 7, or 14 calendar days
  - Allowances for Federal holidays
- PLT for DLA Direct Orders
- On Time Delivery (OTD) Metric Measured monthly
- Incentives/Disincentives
  - Based on the OTD performance
  - Varies per FSC Groupings
  - Applied to the following contract year
  - -21N
    - Calculated separately
    - Higher performance requirements



### Sections I, L, & M



- Contract Clause Continuations
  - PPI indexes applied to CLIN 1
  - Good faith effort for parts that become obsolete
  - Clause Applicability Table
- Instructions to Offerors
  - Proposal Format
  - Information to Include in the Technical Proposal
- Evaluation Commercial Items
  - Best Value Trade-off details
    - Non-price factors when combined are significantly more important than price
    - Price is single most important factor





### QUESTIONS COMMENTS FEEDBACK

EMAIL: DSCC.Maritime.FSC@dla.mil

INTERNET: http://www.dscc.dla.mil/programs/FSCInitiatives/index.html



### Office of Small Business Programs



# Procurement Opportunities for Small Businesses

Rebecca Parks 614.692.3541 rebecca.parks@dla.mil



### **Agenda**



- DLA Supply Chains
- DSCC Small Business Goals
- Small Business 101
- Socio-Economic Programs
  - Criteria for Certification
  - Requirements for Set-Asides
- Set-Aside Opportunities
- Help and POC's



### How do we do it?



Organized into 8 Demand/Supply Chains

organized into o bernand/odppry orianis							
Aviation	Land	Maritime	C&T	Medical	Subsistence	C&E	Energy
Richmond	Columbus		Philadelphia			Ft. Belvoir	
Aviation     Original     Equipment     Manufacturer     (OEM) Items     Engines     & Airframes      Aviation     Supply Chain     Commodities	Wheeled Vehicles     Tracked Vehicles	Valves/Hardware     Fluid Handling     Active Devices     Passive Devices     Electrical Devices     Electronic Devices	Recruit Clothing     Organizational Clothing Equipment	Pharmaceutical     Medical/Surgical Equipment  FIRST AID KIT  THE PARTY OF THE	Institutional Feeding     Operations Rations     Produce      Meal State	• Construction • Equipment	



### FY09 Land and Maritime Goals



Culture

	LAND	MARITIME
Small	40.0%	65.0%
HUBZone	4.3%	2.9%
Small Disadvantaged (SDB)	2.3%	3.0%
Woman Owned	8.0%	12.1%
Service Disabled	3.0%	3.0%
8(a)	0.14%	.07%

Approximately 55% of DSCC dollars are awarded to Small Businesses





### **Small Business 101**



### Review for Determining Small Business Set-Asides



Under \$3K – Micro-purchase

#### No Set-Aside

 \$3K - \$25K - Reasonable expectation of offers from at least 2 small businesses offering the product of different large or small domestic manufacturers (multiple manufacturing sources large or small)

#### Yes – Set-Aside No – Dissolve Set-Aside

 \$25K - \$100K - Reasonable expectation of offers from at least 2 small businesses offering the product of the same or different small domestic manufacturers (multiple manufacturing sources - must have 1 small)

#### Yes – Set-Aside No – Dissolve Set-Aside

 \$100K+ - Reasonable expectation of offers from at least 2 small business concerns offering the product of different small domestic manufacturers (multiple manufacturing sources - must have 2 small)

Yes – Set-Aside No – Dissolve Set-Aside





### Socio-Economic Programs



## Definition: Small Business Concern



FAR 19.001

A business entity organized for profit, including its affiliates, that is independently owned and operated, not dominant in the field in which it is bidding on government contracts, and qualified as a small business under the criteria and size standards in 13 CFR Part 121

(ref. FAR 19.102 & 19.303)



### **Small Business Status**



### What determines whether a business is a Small Business Entity?

- Size standards (numerical definition): http://www.sba.gov/idc/groups/public/documents/sba\_ homepage/serv\_sstd\_tablepdf.pdf
- North American Industry Classification System (NAICS) codes: http://www.census.gov/epcd/www/naics.html
- Offeror's representation (now contained in ORCA)
   Visit Business Partner Network: http://www.bpn.gov



### Small Business Act Policy and Purpose



- Promote small businesses: provide contract, financial, technical, & management assistance
- Provide "Maximum practicable opportunities" for:
  - Small business
  - Veteran-owned small business
  - Service-disabled veteran-owned small business
  - HUBZone small business
  - Small disadvantaged business
  - Women-owned small business



### The Purpose and Policy for Small Business Set-Asides



FAR 19.201 (a) and 19.501 (a):

To award certain acquisitions exclusively to small business concerns to meet the goal and policy of Government "to provide maximum practicable opportunities in federal acquisitions to small business."



### Small Business Set-Asides



#### Total Set-aside

- "Rule of Two" (reasonable expectation that offers will be obtained from at least two responsible small business concerns that are competitive in terms of market prices, quality and delivery)
- Automatic Small Business reservation between \$3K and \$100K
- Partial Set-asides (severable into two or more lots and a reasonable expectation of offers from at least one responsible small business concern at a fair market price)



# Small Business Set-Asides Non-manufacturer Rule



- Non-manufacturer rule a contractor under a small business or 8(a) set-aside shall provide its own product or that of a domestic small manufacturer
  - Exception Large business product
    - Does not exceed \$25,000
    - When using SAP
    - Manufactured in US
  - Waiver Small, large or foreign product
    - Exceeds \$25,000
    - SBA determines no small businesses are available for the specific product or class of products
    - View list at: <a href="http://www.sba.gov/aboutsba/sbaprograms/gc/programs/gc\_waivers\_nonmanufacturer.html">http://www.sba.gov/aboutsba/sbaprograms/gc/programs/gc\_waivers\_nonmanufacturer.html</a>



# Recap of the Non-manufacturers Rule



Exception: Small Business Set-aside acquisitions between \$3,000 and \$25,000

 Non-manufacturers may supply any domestically manufactured large or small business product

Waiver: SBA has determined there are no small business manufacturers participating in the Federal marketplace

Non-manufacturer may supply any product





# 8(a) Business Development Set-asides



# 8(a) Program Set Aside Requirements



- Company must be a current 8(a) program participant (only one-9 year term)
- Capabilities must match the requirement
- Award price cannot exceed Government's established "fair market price"
- SBA must accept the requirement for the 8(a) program (over \$100,000 for DoD actions)



### 8(a) Set Aside Performance Requirements\_



- The 8(a) contractor must perform certain percentages of work with its own employees
- These percentages and the requirements relating to them are the same as those established for small business set-aside prime contractors (including non-manufacturers)





### **HUBZone Set-aside Program**



### HUBZone Program Participation Requirements



- Must be a qualified HUBZone small business concern
  - To become <u>certified by the SBA</u> as a HUBZone small business concern:
    - Principle place of business must be located in a HUBZone
    - 35% of the employees must reside in a HUBZone



### HUBZone Set-aside Performance Requirements



- Same as those for small business set asides with the following exceptions
  - The agreement to perform the required percentages of work may be met solely by the qualified HUBZone small business concern or in combination with one or more other qualified HUBZone small business concerns.
  - A qualified HUBZone nonmanufacturer must furnish only end items manufactured or produced by HUBZone small business manufacturers



### **HUBZone Program**



- Special Exceptions & Waivers to the Non-manufacturers Rule:
  - for HUBZone set aside contract actions between \$3,000 and \$25,000, a qualified HUBZone small business concern may supply the end item of <u>any</u> domestic manufacturer, including a large business
  - There is no provision for a waiver to the nonmanufacturers rule for HUBZone Set-asides





# Service Disabled Veteran Owned Small Business Set-aside Program



### SDVOSB Program Participation Requirements



- Must be a domestic small business concern
- Must be owned by a service disabled veteran
  - At least 51% of the business must be owned and controlled by one or more service disabled veterans



### SDVOSB Set Aside Performance Requirements



- Same as those for small business set asides with the following exceptions:
  - The agreement to perform the required percentages of work may be met solely by the SDVOSB or in combination with one or more other service disabled veteran owned small business concerns



### SDVOSB: Non-manufacturers Rule Exceptions & Waivers



- Exception: SDVOSB Set-aside acquisitions between \$3,000 and \$25,000
  - Non-manufacturers may supply the product of any domestic large or small business
- Waiver: SBA has determined there are no SB Manufacturers participating in the Federal marketplace
  - On a SDVOSB set-aside acquisition a non-manufacturer may supply any product



### **Opportunities**



- Small Business Set-Asides
- Partial Set-Asides
- Subcontracting with Primes
- Partnering Agreements
- Unique Opportunities on New Initiatives
  - Examples
    - FASI-G
    - IPV
    - FSC SCP





# Where Do I Go For More Help and Information on Doing Business with DLA?



### DSCC Small Business Team 800-262-3272 or 614-692-3541



Culture

Eleanor Holland eleanor.holland@dla.mil	Director, DSCC Small Business Office	614-692- 3735
Will Chavez william.chavez@dla.mil	Small Disadvantaged Business and 8(a)	614-692- 1288
Vikki Hawthorne vikki.hawthorne@dla.mil	Outreach and Woman Owned Program	614-692- 4864
Rebecca Parks rebecca.parks@dla.mil	HUBZone Program	614-692- 3510
Tom Pfenning thomas.pfenning@dla.mil	AbilityOne Workshops	614-692- 1494
Dwight deWeaver dwight.deweaver@dla.mil	Service Disabled Veteran Owned Program	614-692- 7935
Charles Miller charles.miller@dla.mil	Opportunity Specialist	614-692- 7624
Kevin Scoles kevin.scoles@dla.mil	Opportunity Specialist	614-692- 3377
Scott Rybicki scott.rybicki@dla.mil	DLA-Warren Small Business Specialist (TACOM)	586-753- 2794
Tim Danowski timothy.danowski@dla.mil	DLA-Mechanicsburg Small Business Specialist (NAVICP)	717-605- 2989



# DSCP Small Business Team 800-831-1110

Culture

### www.dscp.dla.mil

NAME email address	FOCUS	PHONE
Michael McCall michael.mccall@dla.mil	Director, DSCP Small Business Office	215-737- 2321
Genevieve Venturo genevieve.venturo@dla.mil	Subsistence	215-737- 5911
Joann Gatica joann.gatica@dla.mil	Clothing & Textiles	215-737- 5910
Paul Rooney paul.rooney@dla.mil	Medical	215-737- 4648
Arlene Ruble arlene.ruble@dla.mil	Construction & Equipment	215-737- 5819
Robert Baldino robert.baldino@dla.mil	Special Programs	215-737- 5821



### DSCR Small Business Team 800-227-3603 or 804-279-XXXX



Culture

#### www.dscr.dla.mil

John Henley	Associate Director of Small Business	x6330
Crystal Ober	Deputy Director of Small Business & AbilityOne	x3639
Harriett Reddrick	8A Program Manager	x4132
Christopher Pierce	Service Disabled Veteran Program Manager	x2984
Connie McNeill	HUBZone Program Manager	x5290
Debra Williams	Management Analyst	x3287
Leticia Evans	Information Assistant - Web site, DIBBS, CCR	x4302
Jan Strickland	SARs, Post Award Ombudsman	x3557
Judy Sayers	SBA Procurement Center Representative	x3690



# Procurement Technical Assistance Centers (PTACS)

#### What are PTACs???

Government funded local resources available across the country providing assistance in marketing your products and services to Federal, state and local governments

### **PTAC Goals:**

- Help small businesses be competitive
- Explain the complexities of Government procurement
- Encourage economic development through job retention and creation
- Build strong contractors through targeted training and one-on-one assistance

http://www.dla.mil/db/procurem.htm



# Free Vendor Training

**Defense Supply Center Columbus** 





# Doing Business with the **Defense Logistics Agency:**

- Getting Started: Selling to DLA
- Assistance in your area (PTACs)
- **Small Business Programs**
- Finding opportunities & quoting (DIBBS)
  - Radio Frequency Identification (RFID)
  - Alternate Offers how to get approved
- Understanding quality requirements
- Packaging what the government wants
- How to get Drawings and Specifications
- Payment Processing (Wide Area Workflow)
- And much more!

2009 Schedule:

September 15-16

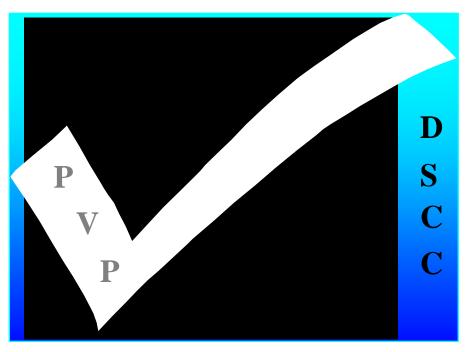
October 20-21

Seating is limited – make reservation at: http://www.dscc.dla.mil/News/events/tko/



# **Product Verification Program**





ASSURING QUALITY OF OUR STOCK

Doug Fosnaught
Chief, Product Verification Division
614-692-1719



# **PVP Mission Objectives**



The PVP office supports the Land/Maritime Supply Chains by:

- Ensuring the "Right Items" are provided to the War fighter
  - The PVP office identifies product discrepancies through use of multiple test programs, material audits, and fraud investigations
- Supporting the reduction of Administrative / Production Lead Times (ALT/PLT)
  - The PVP office identifies problematic materials and contractors which results in a reduction in ALT/PLT
- Reducing material management cost
  - The data provided by the PVP office assists the Supply Chains in taking corrective actions associated with field failures, unnecessary procurements, depot screenings, and Quality Notifications
- Increasing product reliability
  - The data provided by the PVP office to the Supply Chains prevents reoccurrences of identified quality problems



# **PVP Test Programs**



# **DLA HQ**

Critical Safety Item (CSI)	•DLA HQ mandated program		
	Measures level of product compliance		
	•Confirms technical data accuracy on depot stocked materials		
Targeted Sampling Model (TSM)	•Candidates are selected from Depot stock •Targets NSNs based on impact and risk associated with past product		
	failures		

## **DSCC PVP**

<b>Special Investigations</b>	•Monitor fraudulent contractor activity	
	•Support Defense Criminal Investigative Services & DSCC Legal investigations	
	•Provide justification for the recoupment of funds & contractor debarment	
Vendor Test Program (VTP)	•Targeted selection based upon vendor & contract data •Focuses on new cages codes against material requirements	



# **PVP Test Programs**



# Customer (Supply Chain)

Directed Test Program (DIRE)	<ul> <li>Assist the Supply Chains in investigating Quality Notifications</li> <li>Use of Product Verification Testing (PVT) Clause</li> <li>Special Project Requests</li> </ul>	
Customer Returns & Improvement Initiative (CRII)	<ul> <li>The CRII program properly classifies customer returns</li> <li>Materials are added and removed based on quality history, material group, or special requests as directed by the Supply Chain</li> <li>Database includes 7430 materials</li> </ul>	

### **Contract**

Government First Article Testing (GFAT)	<ul> <li>Monitors Government preproduction testing</li> <li>Verifies contractor ability to manufacture "right item"</li> <li>Coordinates funding allocations</li> </ul>	
Production Lot Testing (PLT)	<ul> <li>Contract driven, in-production, pre-acceptance</li> <li>Verifies standardized manufacturing process</li> <li>Ensures material conformance and unit consistency</li> </ul>	



# PVP Customer Interfaces

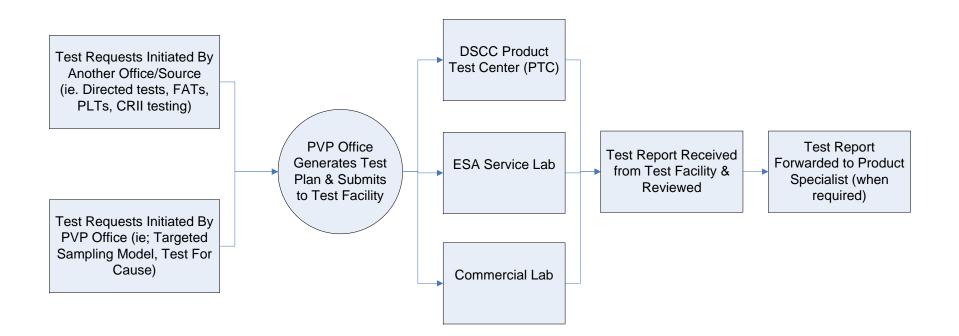


Internal Customers	External Customers	
Product Specialists	Commercial Labs	
Product Test Centers	Engineering Service Activity Labs	
Resolution Specialists	DCIS Agents	
DSCC Legal Office	DLA Depots	
Contracting Officers	PVP Offices at the other profit centers	
Sourcing & Qualifications Office (VQ)	DLA Headquarters	
Budget Analysts	U.S. Judicial System	
Base Contracting	Defense Contract Management Agency	
Customer Account Specialists	Manufacturers/Contractors	



# **PVP Workflow Process**







### **PVP Lab Affiliations**



DLA

PTC, Mechanical East (Columbus)

PTC, Mechanical West (French Camp)

PTC, Electrical (Columbus)

PTC, Analytical (Philadelphia)

Navy

Fleet Readiness Center Southeast

Seal Beach Naval Weapons Station

Naval Surface Warfare Center, Crane

Naval Air Warfare Center Aircraft Division, Lakehurst

> Naval Air Depot, Jacksonville

> Naval Air Depot, Cherry Point

Naval Undersea Warfare Center, Keyport Army

Redstone Arsenal

Rock Island Arsenal

Letterkenny Army Depot

Picatinny Arsenal

Air Force

Hill Air Force Base

Tinker Air Force Base

Robins Air Force Base

Commercial

Dayton T. Brown



# **PVP Test Methodology**



Selection Factors	Test Focus
Quality History	Visual (workmanship)
Criticality of Use	Fit & Function
Demand History	Dimensional
Complexity	Packaging
Cost	Marking
Physical Characteristics	Plating/Coating
Stocked Population	Material Composition
Storage Requirements	Environmental
Past Performance	Chemical
Allegations	Electrical

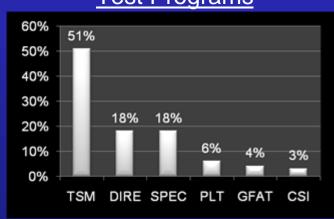


### **PVP Test Metrics**



Culture

#### **Test Programs**



#### Top Ten Stock Classes

5935 Connectors, Electrical

5961 Semiconductor Devices

1005 Guns, thru 30 mm

5962 Microcircuits, Electronic

3040 Miscellaneous Power Trans Equipment

4730 Fittings and Specialties; Hose, Pipe and Tube

5930 Switches

5945 Relays, Solenoids

5910 Capacitors

5905 Resistors

#### Top Ten Weapons Systems

21N NUCLEAR Reactors Program

VUN Aircraft, Hornet F/A-18 (E/F)

Z9N Aircraft, FA-18, A-D, E/F, G (Growler)

EZN Ticonderoga Class CG (47)

04F Aircraft, Stratofortress B-52

02N Strategic Weapon Systems (Poseidon &

Trident)

19F Aircraft, Eagle F-15

06F Aircraft, Hercules C-130

05F Aircraft, Stratolifter C/KC-135

75F Helicopter, HH-60

#### Top five Failure Types

- 1. Packaging
- 2. Dimensional
- 3. Electrical
- 4. Material Analysis
- 5. Functional/Operational



# **PVP Summary**



- Objective Right Item, Reduce ALT/PLT, Reduce Cost, Increase Reliability
- Programs Identify and document testing results based on selective criteria
- Interfaces Communicating with Government and Industry
- Processes Streamlined for efficiency and effectiveness
- Affiliations Test Capability, Product Specialization, Knowledge Sharing
- Methodology Match best value candidates with appropriate test conditions
- Metric Statistical analysis/Cost vs. Benefit

Quality is never an accident; it is always the result of high intention, sincere effort, intelligent direction and skillful execution; it represents the wise choice of many alternatives.

WILLIAM A. FOSTER, quoted in Igniting the Spirit at Work: Daily Reflections





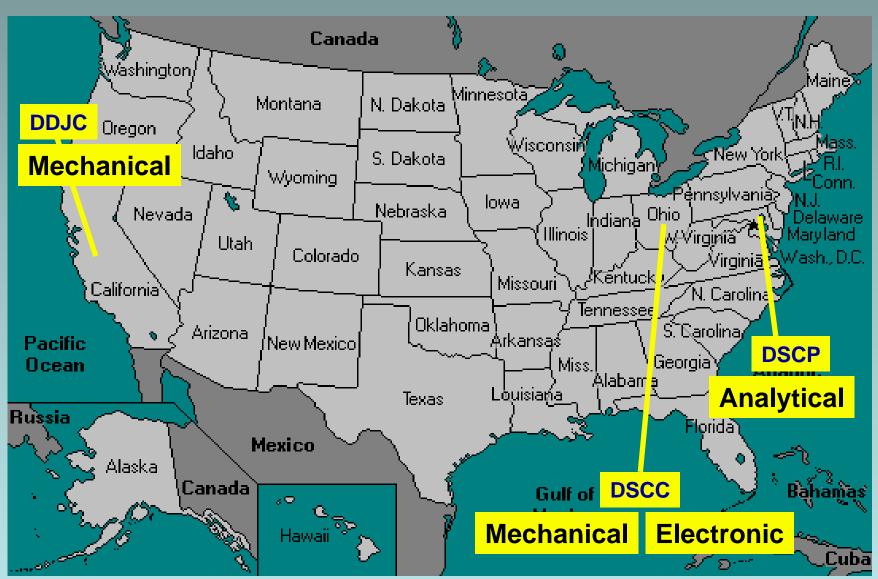
# DLA Product Test Centers (PTC)

# 2009 Land and Maritime Supplier's Conference



# DLA Product Testing Center Locations







# Why Use DLA's PTC



- Capable: All sites are registered to ISO 9001
- <u>Timely</u>: 96% on time rate. Project time frames negotiated upfront
- Responsive: Customized test plans to meet war-fighter requirements
- <u>Economically Priced</u>: Competitive rates targeted to cover costs
   No change to hourly rates for FY10.
- <u>Technical Support</u>: Provided before, during, and after testing

# Why Our Customers Typically Request Testing

- Identify unapproved sources and product substitutions
- Ensure product conformance through pre-acceptance tests (e.g., first article tests, product verification tests)
- Targeted stock sampling, customer complaints
- Other directed tests, such as shelf life evaluations, critical safety items, and customer returns



# Analytical / Chemical Philadelphia



Culture

#### **Capabilities**

- Chemical Analysis (Wide Variety of Materials)
- Physical Testing of Textile Items
- Color Shading
- Ballistics
- Environmental
- Dimensional

#### **Customers**

- DSCP: 98% of workload
- Naval Air Lakehurst; Naval Air Warfare Center; PEO Soldier Rapid Fielding Initiative; Commercial labs; DSCC,

**DSCR: 2% of workload** 

**Staff: 22 Associates** 

FY09 & FY10 Hourly Rate: \$78.00

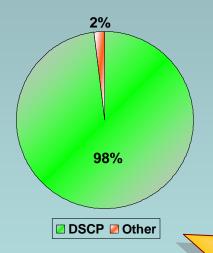
**Average FY08 Test Cycle Times: Color shading 2 days; Other tests 6 days** 



Helmet strap retention test



Flame testing of camouflage 3D netting used to cover vehicles and heavy armament



• FY08 Projects completed: 9923



### **Electronics Columbus**



#### <u>Culture</u>

#### **Capabilities**

- Electrical/Electronic Testing
- Materials Analysis
- Destructive Physical Analysis
- Environmental Simulation Testing (Shock, Vibration, Salt Spray)
- Failure Analysis
- Reliability Testing

#### **Customers**

- DSCC, DSCR: 98% of workload
- DCIS, NAVAIR, Wright Patterson AFB, JEDIC, DoD Soldering Technology Working Group, and Private sector: 2% of workload

Staff: 24 Associates

FY09 & FY10 Hourly Rate: \$95.86 Average FY08 Test Cycle Times: 17

**Days** 

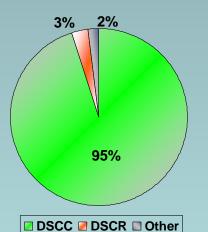
(x-ray/deliding reveals identical looking items containing different dies) Capability to test and evaluate micro-circuit & semiconductor devices enhances DLA's ability to detect fraudulent and non-conforming items













Salt Spray M2 Gun Parts

• FY08 projects completed: 1765



### **Mechanical Columbus**



#### **Capabilities**

- Close Tolerance Dimensional Inspection
- Tensile Testing
- Pressure Test (hoses / fittings)
- Plating Thickness
- Direct Design of Drawings
- Non Destructive Testing (Mag Particle & Liquid Penetrant)
- Hardness Testing
- Calibration

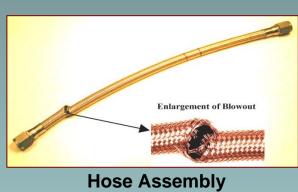
#### **Customers**

- DSCC, DSCR: 98% of workload
- FAA, Dept. of Commerce, Ft. Polk, Anniston, DCIS, Edgewood Chemical and Biological Center, TACOM, ARDEC: 2% of workload

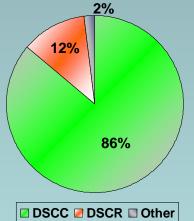
**Staff: 12 Associates** 

FY09 & FY10 Hourly Rate: \$102.70

**Average FY08 Test Cycle Times: 16 days** 



Hose Assembly Failed Burst Testing







### **Mechanical DDJC**



#### **Capabilities**

- Close Tolerance Dimensional Inspection
- Tensile Testing
- Plating Thickness
- Non Destructive Testing & Training (all types)
- Radiography of large components
- Hardness Testing

Radiography Showing Flaws-Submarine Main Ballast Vent Valve

#### **Customers**

DSCC, DSCR: 97% of workload

 Brooks AFB; McAlester Army Ammunition Plant; Pine Bluff Arsenal; TACOM; NAVAIR; NAVSEA; Tinker AFB: 3% of workload

**Staff: 9 Associates** 

FY09 & FY10 Hourly Rate: \$102.70

Average FY08 Test Cycle Times: 40 days

Note that this is impacted by long term Radiography projects and NDT training performed by the lab.



39%

3%

58%

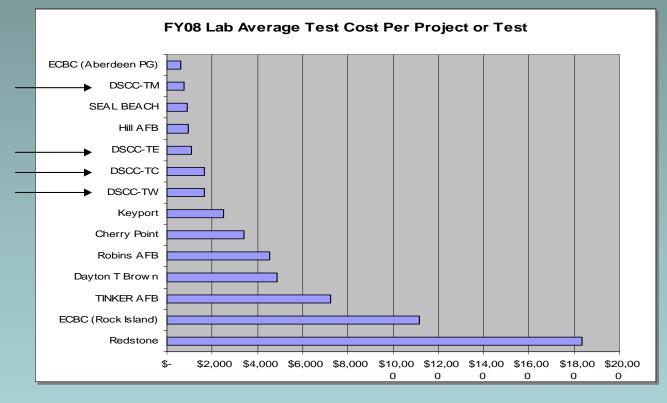
• FY08 Projects completed: 438



# FY08 Average Lab Test Cost

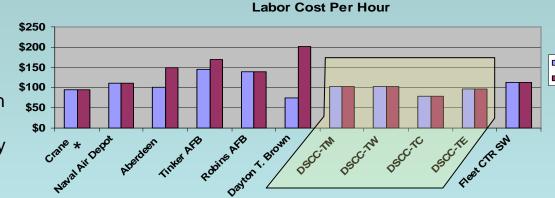


Culture



Data source: DSCC Product Verification Program Office

\*Crane: does not reflect a low and high rate.....\$95 reflects hourly rate for battery testing only.



Low \$ High \$

Note: There will be no increase to PTC hourly rates for FY10.



### **DLA PTC Commitment**



DLA Product Testing Center: Committed to continuously improving our support to America's warfighters through cost effective, responsive, and quality test support.

PTC Website: http://www.dscc.dla.mil/offices/testcenter

DLA PIC Points of Contact					
Director (DSCC-T)	Keith Robinette	DSN 850-3589			
Analytical/Chemical (DSCC-TC)	Paul Conrad	DSN 444-3240			
Electronic (DSCC-TE)	John Elavsky	DSN 850-9857			
Mechanical Columbus (DSCC-TM)	Stephen Finney	DSN 850-2354			
Mechanical DDJC (DSCC-TW)	Lee Utegg	DSN 462-3701			





# Adequate Proposal Packages & TINA Requirements

Ray York
Chief, Pricing Division
Procurement Process Support
Directorate





 TINA Requirements – Ray York, Chief, Pricing Branch, DLA Land and Maritime Supply Chain

 Adequate Proposal Packages - Chic Lurch, Defense Contract Audit Agency (DCAA), Financial Liaison Advisor (FLA)





# **TINA** Requirements

- Certified Cost or Pricing Data shall be required if the sum of the <u>maximum quantity</u> dollar value for the base year <u>and</u> all options <u>and</u> Surge exceeds \$650,000
- Note: The dollar value of all NSNs, in a multi-NSN procurement, must be <u>considered</u> together – <u>not separately</u>



## **Cost Data Requirements**



- Contracting Officer (KO) must determine if the submitted Cost or Pricing Data is adequate:
  - > Data must be:
    - Factual
    - Verifiable
  - > Data must include, at a minimum:
    - The contractor's explanations regarding each element of their cost breakdown, and
    - All supporting data



### **Certificate Requirements**



- Contractor <u>must</u> provide the certificate <u>after</u> the final, negotiated price is obtained
- Certificate <u>must</u> be dated on the date the final price was negotiated
- Contractor <u>must</u> certify that the data is accurate, complete, and current as of that date
- The Certificate should <u>not</u> be included as a part of the contractor's original offer



# **Exceptions**



 Certified Cost or Pricing Data is <u>not</u> required if any of the following exceptions apply:

- >Commercial Item is being acquired
- >Adequate price competition exists
- > Prices are set by law or regulation
- Waiver has been granted



# Proposals/Offers Exempt from Cost or Pricing Data (i.e., Commercial items)



- A copy of the item listed in a published Catalog or Price list
  - ➤ Cover page, and
  - > Page item is listed on
- Some determination or sense that the item is reasonably expected to be purchased by the general or industrial public at the offered price



# Proposals/Offers Exempt from Cost or Pricing Data (i.e., Commercial items)



- Description of the items' use in the commercial or industrial sector and the specific users
- Description of the exact differences between the item and it's commercial equivalence



# Proposals/Offers Exempt from Cost or Pricing Data (i.e., Commercial items)(cont'd)



- Invoices from commercial sales of the same or similar item
  - **≻Quantities**,
  - > Dates, and
  - >Prices
- Any discounts from the price list (i.e., most preferred customer information)





# **Questions?**

# PREPARING PROPOSALS

August 18, 2009





### **DEFENSE CONTRACT AUDIT AGENCY**

# **TOPICS**

- Vital Elements of A Proposal
- Common Proposal Deficiencies
- Proposal Examples, including
  - **❖** G&A Rate Calculation
  - Overhead Rate Calculation
  - Unallowable Costs
- Preparing for An Audit



### **ELEMENTS OF A PROPOSAL**

- Summary of Total Cost by Element
- Consolidated Priced Bill of Materials
  - Types, Quantities, Cost
  - FAR 15.408, Table 15-2 II.A.
- Breakdown of Labor (FAR 15.408, Table 15-2 II.B.)
  - Hours
  - Rates, and Costs by Appropriate Category



#### VITAL ELEMENTS OF A PROPOSAL

- Details Supporting Indirect Rates:
  - **✓** How Indirect Rates Are Computed
  - **✓** How Indirect Rates Are Applied,
  - ✓ Cost Breakdowns, Trends, and Budgetary Data (FAR 15.408, Table 15-2 II.C.)
- •Identification of All Other Costs by Category and Basis for Pricing (FAR 15.408, Table 15-2 II.C.)
- •Rationale for Proposed Profit



# **COMMON DEFICIENCIES**

- Lack of A Consolidated Bill of Materials
- Lack of Data to Evaluate Indirect Rates
- •Failure to:
  - ✓ Conform to the Specifications-Buying Activity
  - **✓ Identify Places or Periods of Performance**
  - **✓ Disclose Basis for Pricing Other Direct Costs** (ODC)



# **COMMON DEFICIENCIES**

(Con't)

### •Failure to:

- ✓ Provide the Basis for Proposed Material, Labor and Indirect Costs
- ✓ Comply with the Requirements Set Forth in FAR 15. 408, Table 15-2



#### Proposal Submitted in Response to RFP DAAH01-09-R-0001

<b>Element of Cost</b>	Amount	Reference
Engineering Labor	\$452,151	Schedule 1
Manufacturing Labor	26,412	Schedule 1
Direct Labor Overhead @ 56.7%	271,345	Schedule 2
Material	113,175	Schedule 3
Material Handling Overhead @ 5.0%	<u>5,659</u>	Schedule 4
Subtotal	\$868,742	
G&A @ 8.0%	<u>69,499</u>	Schedule 5
Estimated Cost	\$938,241	
Profit @ 10.0%	<u>93,824</u> *	
<b>Total Price</b>	\$1,032,065	
	=======	

<sup>\*</sup>Contractors can negotiate profit with the contracting officer. Typically, contracting officers use criteria in FAR 15.404-4 for establishing a profit objective. DoD contracting officers may use the weighted guidelines policy described in DFARS 215.404-4.



#### Proposal Submitted in Response to RFP DAAH01-09-R-0001

<b>Element of Cost</b>	Amount	Reference
<b>Engineering Labor</b>	\$452,151	Schedule 1
Manufacturing Labor	26,412	Schedule 1
Direct Labor Overhead @ 56.7%	271,345	Schedule 2
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<b>Total Price</b>	\$1,032,065	
	=======	

<sup>\*</sup>Contractors can negotiate profit with the contracting officer. Typically, contracting officers use criteria in FAR 15.404-4 for establishing a profit objective. DoD contracting officers may use the weighted guidelines policy described in DFARS 8 215.404-4.



Proposal Submitted in Response to RFP DAAH01-09-R-0001

#### **Schedule 1**

<b>Labor Category</b>	2009	2010	2011	<b>Total</b>
Program Manager	\$23,174	\$27,079	\$18,967	\$69,220
Senior Engineer	31,668	24,939	20,370	76,977
Junior Engineer	39,816	34,845	21,951	96,612
Engineering Aide	26,100	8,377	800	35,277
Technical Writer -	-	15,876	15,876	
Metallurgist	35,815	23,748	14,546	74,109
Draftsman	41,690	29,850	12,540	84,080
Total D/L - Eng	\$198,263	\$148,838	\$105,050	\$452,151
	(Sched 1A)	(Sched 1B)	(Sched 1C)	

#### Manufacturing Labor Cost

		<del></del>		
<b>Labor Category</b>	2009	2010	2011	<b>Total</b>
Fabrication	\$4,340	\$6,834	\$7,176	\$18,350
Assembly		1,942	6,120	8,062
Total D/L - Mfg	\$4,340	\$8,776	\$13,296	\$26,412
	(Sched 1A)	(Sched 1B)	(Sched 1C)	
Total Direct Labor	\$202,603	\$157,614	\$118,340	\$478,563

Proposal Submitted in Response to RFP DAAH01-09-R-0001

**Schedule 1A** 

#### 2009 Engineering Labor Cost

<b>Labor Category</b>	Rate/Hr	<b>Hours</b>	<u>Total</u> .
Program Manager	\$33.93	683	\$23,174
Senior Engineer	26.39	1,200	31,668
Junior Engineer	22.12	1,800	39,816
Engineering Aide	14.50	1,800	26,100
Technical Writer	16.00	-	-
Metallurgist	18.85	1,900	35,815
Draftsman	18.95	<u>2,200</u>	41,690
Total D/L – Eng		9,583	\$198,263

#### 2009 Manufacturing Labor Cost

<b>Labor Category</b>	Rate/Hr	<u>Hours</u>	Total .
Fabrication	\$10.85	400	\$4,340
Assembly	9.25	<u> </u>	<u> </u>
Total D/Labor - Mfg		400	\$4,340
Total Direct Labor			\$202,603
			=====

All hours proposed are based on historical costs, reference contract DAAH01-04-C-0001, account 9271.

The supporting data showing the historical hours and the development of the proposed hours are in file "DAAH01-09-R-0001, Hours" and is available immediately upon request.

The direct labor rates are based on actual average rates as of 31 October 2008. The supporting data and rate calculation 10 are located in file "DAAH01-09-R-0001, Direct Labor Rates" and is available immediately upon request.



Proposal Submitted in Response to RFP DAAH01-09-R-0001

Schedule 1B

#### **2010 Engineering Labor Cost**

<b>Labor Category</b>	Rate/Hr	<b>Hours</b>	<u>Total</u> .
Program Manager	\$35.63	760	\$27,079
Senior Engineer	27.71	900	24,939
Junior Engineer	23.23	1,500	34,845
Engineering Aide	15.23	550	8,377
Technical Writer	16.80	-	-
Metallurgist	19.79	1,200	23,748
Draftsman	19.90	<u>1,500</u>	29,850
Total D/L – Eng		6,410	\$148,838

#### 2010 Manufacturing Labor Cost

<b>Labor Category</b>	Rate/Hr	<b>Hours</b>	<u>Total</u> .
Fabrication	\$11.39	600	\$6,834
Assembly	9.71	200	1,942
Total D/Labor - Mfg		800	\$8,776
Total Direct Labor			\$157,614
			=====

All hours proposed are based on historical costs, reference contract DAAH01-04-C-0001, account 9271.

The supporting data showing the historical hours and the development of the proposed hours are in file "DAAH01-09-R-0001, Hours" and is available immediately upon request.

The direct labor rates are based on actual average rates as of 31 October 2008 and escalated 5 percent each year. The supporting data and rate calculation are located in file "DAAH01-09-R-0001, Direct Labor Rates" and is available immediately upon request.



Proposal Submitted in Response to RFP DAAH01-09-R-0001

Schedule 1C

#### **2011 Engineering Labor Cost**

<b>Labor Category</b>	Rate/Hr	<b>Hours</b>	<u>Total</u> .
Program Manager	\$37.41	507	\$18,967
Senior Engineer	29.10	700	20,370
Junior Engineer	24.39	900	21,951
Engineering Aide	15.99	50	800
Technical Writer	17.64	900	15,876
Metallurgist	20.78	700	14,546
Draftsman	20.90	600	12,540
Total D/L – Eng		4,357	\$105,050

#### **2011 Manufacturing Labor Cost**

	= 0.1			
<b>Labor Category</b>	Rate/Hr	<b>Hours</b>		Total .
Fabrication	\$11.96	600		\$7,176
Assembly	10.20	600		6,120
Total D/Labor – Mfg	1,2	200	\$13,296	
Total Direct Labor				\$118,346

All hours proposed are based on historical costs, reference contract DAAH01-04-C-0001, account 9271.

The supporting data showing the historical hours and the development of the proposed hours are in file "DAAH01-09-R-0001, Hours" and is available immediately upon request.

The direct labor rates are based on actual average rates as of 31 October 2008 and escalated 5 percent each year. The supporting data and rate calculation are located in file "DAAH01-09-R-0001, Direct Labor Rates" and is available immediately upon request.



#### Proposal Submitted in Response to RFP DAAH01-09-R-0001

<b>Element of Cost</b>	Amount	Reference
Engineering Labor	\$452,151	Schedule 1
Manufacturing Labor	26,412	Schedule 1
Direct Labor Overhead @ 56.7%	271,345	Schedule 2
Material	113,175	Schedule 3
Material Handling Overhead @ 5.0%	<u>5,659</u>	Schedule 4
Subtotal	\$868,742	
G&A @ 8.0%	<u>69,499</u>	Schedule 5
Estimated Cost	\$938,241	
Profit @ 10.0%	<u>93,824</u> *	
<b>Total Price</b>	\$1,032,065	
	=======	

\*Contractors can negotiate profit with the contracting officer. Typically, contracting officers use criteria in FAR 15.404-4 for establishing a profit objective. DoD contracting officers may use the weighted guidelines policy described in DFARS 13 215.404-4.



# Proposal Submitted in Response to RFP DAAH01-09-R-0001

#### **Schedule 2**

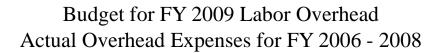
<b>Cost Element</b>	2002	2003	2004	Total .
D/L – Engineering	\$198,263	\$148,838	\$105,050	\$452,151
D/L – Manufacturing	4,340	8,776	13,296	26,412
Total Direct Labor	\$202,603	\$157,614	\$118,340	\$478,563
	(Sched 1A)	(Sched 1B)	(Sched 1C)	
D/L Overhead Rate (Schedule 2A)	56.7%	56.7%	56.7%	56.7%
Direct Labor O/H	\$114,876 =====	\$89,367 =====	\$67,102 =====	\$271,345 =====

#### **Schedule 2A**

Budget for FY 2009 Labor Overhead Actual Overhead Expenses for FY 2006 - 2008

(Note 2)	Budget	_ Actua	<b>Actual Expenses (Note 1).</b>		
Overhead Expenses	2002	2001	2000	<u> 1999</u>	
Indirect Payroll	\$260,000	255,120	280,450	225,320	
Payroll Taxes	228,000	223,615	245,538	197,308	
Vacation	120,000	117,692	129,231	130,846	
Holiday	110,000	107,885	118,462	95,192	
Sick Leave	50,000	49,038	47,832	43,269	
Pensions	171,000	167,712	184,154	147,981	
Employee Morale	5,000	4,530	5,960	4,210	
Entertainment	50,000	45,820	57,352	39,820	
Office Equipment	7,000	3,251	4,525	6,320	
Depreciation	5,000	5,125	5,075	4,925	
Subscriptions	1,500	1,485	1,450	1,475	
Travel	22,000	25,352	18,085	21,025	
Miscellaneous	2,000	2,421	2,310	1,824	
Stationery	6,000	5,421	7,921	5,105	
Reproduction	17,000	16,891	18,451	14,555	
Maintenance	5,000	4,871	5,431	4,322	
Rent	202,000	200,000	200,000	196,000	
Telephone	11,000	10,545	11,752	9,850	
Insurance	102,000	<u>98,500</u>	96,000	92,000	
Total Pool	\$1,374,500	\$1,1345,274	\$1,439,979	\$1,214,347	
Less Unallowable Costs					
Entertainment	50,000	45,820	57,352	<u>39,820</u>	
<b>Net Allowable Expenses</b>	\$1,324,500	\$1,299,454	\$1,382,627	\$1,174,527	





(Note 2)	Budget	<b>Actual Expenses (Note 1)</b>			
Overhead Expenses	2009	2008	2007	2006	
Net Allowable Expenses	<b>\$1,324,500</b>	\$1,299,454	\$1,382,627	\$ <del>1,174,5</del> 27	
Allocation Base					
Direct Labor	<b>\$2,336,000</b>	\$2,221,289	\$ 2,613,662	<b>\$2,147,216</b>	
	(Note 3)				
Rate	56.7%	58.5%	52.9%	54.7%	
	(Note 4)	======	======	======	

#### **Explanatory Notes**

- (1) Provide the prior three years' actual overhead expense and allocation base in the same format as the budget for 2009. For the year 2008, actuals to date are provided.
- (2) The projected overhead expenses are based on the company's operating budget for 2009. The operating budget supporting data is located in file "DAAH01-09-R-0001, Overhead Operating Budget" and is immediately available upon request.
- (3) Includes Bid and Proposal Labor of \$5,000
- (4) The same rate is estimated for fiscal years 2010 and 2011. We anticipate minimal inflation and a stable business base. The data and analysis supporting this assertion is located in file "DAAH01-09-R-0001, Overhead Forecast" and is immediately available upon request.



#### Proposal Submitted in Response to RFP DAAH01-09-R-0001

<b>Element of Cost</b>	Amount	Reference
Engineering Labor	\$452,151	Schedule 1
Manufacturing Labor	26,412	Schedule 1
Direct Labor Overhead @ 56.7%	271,345	Schedule 2
Material	113,175	Schedule 3
Material Handling Overhead @ 5.0%	<u>5,659</u>	Schedule 4
Subtotal	\$868,742	
G&A @ 8.0%	69,499	Schedule 5
Estimated Cost	\$938,241	
Profit @ 10.0%	<u>93,824</u> *	
Total Price	\$1,032,065	
	=======	

<sup>\*</sup>Contractors can negotiate profit with the contracting officer. Typically, contracting officers use criteria in FAR 15.404-4 for establishing a profit objective. DoD contracting officers may use the weighted guidelines policy described in DFARS 17 215.404-4.



Proposal Submitted in Response to RFP DAAH01-09-R-0001

Schedule 3

#### Shock Absorber Bill of Material

( <b>Note 3</b> )				
Support	<u>Qty</u>	<b>Unit Price</b>	<b>Total</b>	<b>Notes</b>
Sheet Metal	1,600 sq. yd	\$25.00	\$40,000	(1)
Casings	750 pcs.	8.50	6,375	(2)
Plastic	7,500 pcs.	5.75	43,125	(1)
Springs	1,700 pcs.	4.00	6,800	<b>(2)</b>
Bolts	7,500 pcs.	2.25	16,875	<b>(2)</b>
Total Materia	l		\$113,175	
			======	

#### **Explanatory Notes**

- (1) These prices are supported by multiple vendor quotes. The proposed prices are those provided by the low bidder who was the ACME Corporation in their quotation dated October 21, 2008. The quotations are included in file "DAAH01-09-R-0001, Vendor Quotations" that are available immediately upon request.
- (2) These prices are supported by the Halloween edition of the Springs R Us Catalog. This catalog is available for audit in the pricing office.
- (3) The proposed quantities are from the engineering drawings for the shock absorber. This drawing is located in file "DAAH01-09-R-0001, Engineering Drawing" and is immediately available upon request.



#### Proposal Submitted in Response to RFP DAAH01-09-R-0001

<b>Element of Cost</b>	Amount	Reference
Engineering Labor	\$452,151	Schedule 1
Manufacturing Labor	26,412	Schedule 1
Direct Labor Overhead @ 56.7%	271,345	Schedule 2
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Subtotal	\$868,742	
G&A @ 8.0%	<u>69,499</u>	Schedule 5
Estimated Cost	\$938,241	
Profit @ 10.0%	<u>93,824</u> *	
Total Price	\$1,032,065	
	=======	

<sup>\*</sup>Contractors can negotiate profit with the contracting officer. Typically, contracting officers use criteria in FAR 15.404-4 for establishing a profit objective. DoD contracting officers may use the weighted guidelines policy described in DFARS 22 215.404-4.



# Proposal Submitted in Response to RFP DAAH01-09-R-0001

		Schedule 5
Engineering Labor	\$452,151	Schedule 1
Manufacturing Labor	26,412	Schedule 1
Direct Labor Overhead @ 56.7%	271,345	Schedule 2
Material	113,175	Schedule 3
Material Handling Overhead @ 5.0%	<u>5,659</u>	Schedule 4
<b>Total Cost Input</b>	\$868,742	
G&A Rate	8.0%	Schedule 5A
G&A	\$69,499	
	=======	

#### **Schedule 5A**

#### Budget for FY 2009 G&A Actual G&A Expenses for FY 2006 – 2008

(Note 2	Less	<b>Net Allow</b>	<b>Actual</b>	<b>Actual Expenses (Note 1)</b>		
2009 Projected G&A	A Expenses	<b>Unallow</b>	<b>Expenses</b>	<u>2008</u>	<b>2007</b>	<u>2006</u>
Payroll Taxes	\$16,000		\$16,000	15,764	15,768	14,468
Officers' Salaries	165,000		165,000	155,000	152,000	142,000
<b>Indirect Salaries</b>	21,000		21,000	20,152	23,201	18,752
Interest	14,000	\$14,000	-	12,351	15,321	11,057
Vacation	11,000		11,000	10,509	10,512	9,645
Holiday	9,000		9,000	8,758	8,760	8,037
Sick Leave	5,000		5,000	4,532	5,103	4,102
Contributions	8,000	8,000	-	8,500	7,000	6,500
Pensions	12,000		12,000	10,509	10,512	9,645
Office Equipment	1,000		1,000	952	1,125	856
Depreciation	2,500		2,500	2,490	2,750	2,360
Travel	10,000		10,000	9,580	9,830	8,520
Miscellaneous	2,000		2,000	1,890	2,130	1,725
Legal Fees	7,000		7,000	6,520	6,850	6,320
Accounting Fees	7,000		7,000	6,950	6,250	5,852
Computer	17,500		17,500	18,235	16,520	14,265
Rent	15,000		15,000	15,000	12,500	12,500
Advertising	8,500	8,500	-	9,000	9,800	7,500
Telephone	3,000		3,000	2,980	2,750	2,598
Insurance	<u>7,000</u>		7,000	6,500	5,800	4,700
Total Pool	\$341,500	\$30,500	\$311,000	\$296,321	\$292,361	\$266,345
B&P ( <b>Note 3</b> )	8,500		8,500	7,900	8,925	$\frac{8,654}{1000000000000000000000000000000000000$
Total G&A and B&P	\$350,000	\$30,500	\$319,500	\$304,221	\$301,296	\$274,999

Schedule 5A

#### Budget for FY 2009 G&A Actual G&A Expenses for FY 2006 – 2008

1	(Note 2&	3)	Less	<b>Net Allow</b>	Actual E	Expenses (No	ote 1)
2009 Projecto	ed G&A E	Expenses	<b>Unallow</b>	<b>Expenses</b>	<u>2008</u>	<u> 2007</u>	<u>2006</u>
Total G&A and	B&P	\$350,000	\$30,500	\$319,500	\$304,221	\$301,286	\$274,999
Allocation Base							
Labor				\$2,331,000	\$2,216,789	\$2,608,162	\$2,141,816
Overhead	(Note 4)			1,371,665	1,342,642	1,437,070	1,211,393
Other Direct Co	sts			29,000	28,523	27,854	22,525
Materials				250,000	225,700	317,450	185,000
Material Overhe	ad			12,500	11,700	14,920	9,270
<b>Total Base</b>				<b>\$3,994,165</b>	_\$3,825,354	\$4,405,456	\$3,570,004
G&A Rate	(Note 5)			8.0%	8.0%	6.8%	7.7%
				=====	=====	=====	=====

#### **Explanatory Notes**

- (1) Provide the prior three years' actual G&A expenses and the allocation base in the same format as the 2009 budget. For the year 2008, actuals are provided to date.
- (2) The projected G&A expenses are based on the company's operating budget for 2002. The operating budget supporting data is located in file "DAAH01-09-R-0001, G&A Operating Budget" and is available immediately upon request.
- (3) Includes \$665 B&P Travel (\$5,000 + \$2,835 + \$665).
- (4) Total Pool, **including** unallowables, **excluding** \$2,835 allocated to B&P Labor (\$5,000 x .567) [\$1,374,500 -- \$2,835].
- (5) The same rate is estimated for fiscal years 2010 and 2011. We anticipate minimal inflation and a stable business base. The data and analysis supporting this assertion is included in file "DAAH01-02-R-0001, G&A" and is available immediately upon request.



### PREPARING FOR AN AUDIT

 Personnel Familiar Readily Available

An Adequate Accounting System

Detailed Schedules Used Available



## PREPARING FOR AN AUDIT

- Data Related to the Proposed Costs (Supporting Documentation) Readily Available
- Provide the Proposal and Supporting Data in Electronic Format
- Financial Statements of the Company



### **DEFENSE CONTRACT AUDIT AGENCY**

# **SUMMARY**

- Vital Elements of A Proposal
- Common Deficiencies
- Proposal Examples
- Preparation for An Audit



# **DCAA** Website

http://www.dcaa.mil/

At website go to "Publications" and click on "Information for Contractors".

Navigate to Chapter 3 for guidance on Pricing Proposals.



### **DEFENSE CONTRACT AUDIT AGENCY**

# QUESTIONS?????



# **Defense Logistics Agency**



AIT and passive RFID

August 2009

Mark Lieberman



# **Agenda**

- About RFID
- RFID in DoD
- WAWF
- Tagging
- RFID in DLA
- Benefits
- Resources
- Summary





# How Does passive Radio Frequency Identification (RFID) Work?

• Tags emit radio signals



Devices called <u>Readers</u> pick up the signal



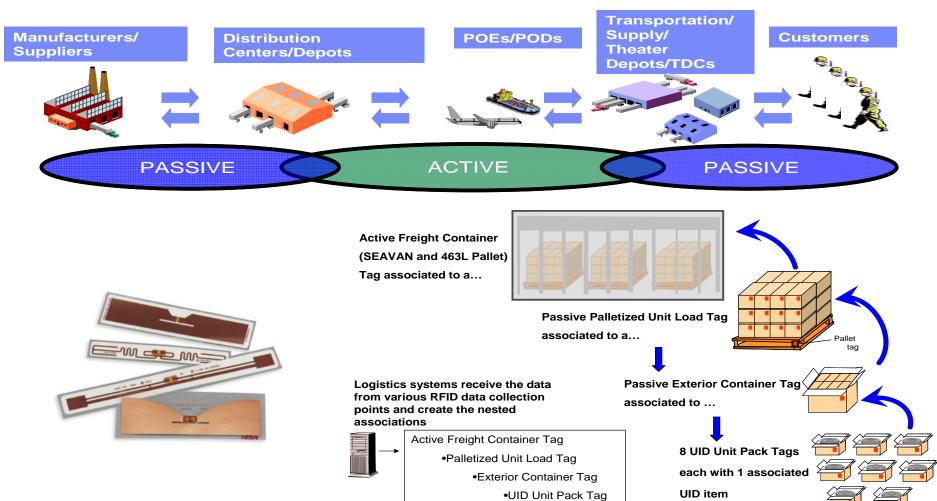




Source: 8/2/05 Briefing by Mr. Alan Estevez

Assistant Deputy Under Secretary of Defense (Supply Chain Integration)

### **How Does DoD Uses RFID**



•UID Item



### **AIT Layers**

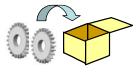
Layer 0 UID - Product Item

Layer 1 - Package

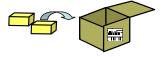
Layer 2 - Transport Unit (cartons, boxes)



**2D Matrix Linear Bar Code** 



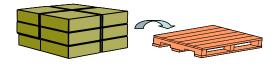
**Passive RFID** 2D/Linear Bar Code



**Passive RFID** 2D/Linear Bar Code

Layer 3 - Unit Load (Warehouse pallet, tri-wall packaging, commercial fiberboard)





**Passive RFID** 2D/Linear Bar Code



**Baseline AIT** 



Layer 5 - Movement Vehicle (truck, aircraft, ship, train)



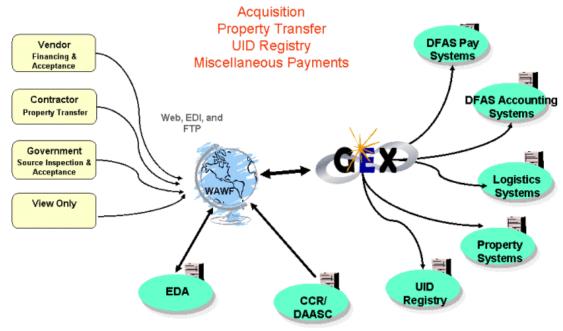






### Wide Area Work Flow

### Wide Area Workflow (WAWF)



- Secure Web-based system for electronic invoicing, receipt and acceptance
- WAWF creates a virtual folder to combine the three documents required to pay a Vendor
  - Contract
  - Invoice
  - Receiving Report.
- Supports paperless acquisition process.
- Public Key Infrastructure (PKI) digital signature security

Streamlines the process from Weeks to Days or Minutes.



### When are pRFID tags required?

# Passive RFID tags at the case and pallet levels when the following three factors are true:

- 1. Contract contains passive RFID DFARS clause (DFAR 252.211-7006), specific language requiring RFID tags.
- 2. Your equipment/commodity falls under the classes of supply required to be tagged as described in the passive RFID DFARS clause.
- Your equipment/item is being shipped to one of the RFIDenabled/implemented locations listed in the passive DFARS clause or a location specified by the contracting officer in your contract.

The most recent version of the passive RFID DFARS clause is available at <a href="http://www.acq.osd.mil/dpap/dars/dfars/html/current/252211.htm#252.211-7006">http://www.acq.osd.mil/dpap/dars/dfars/html/current/252211.htm#252.211-7006</a>.



# **Tagging Options**

#### **Automated Labeling**

 Applicators / RFID encoders can program and apply tags automatically on production lines.

#### **Print and Apply**

 Similar to standard printed labels, RFIDenabled printers can print human readable information (barcode, etc) as well as program embedded RFID tags.

#### **Pre-Programmed Labels**

 Tags are printed and programmed to comply with DoD









# **DoD Tag Construct**

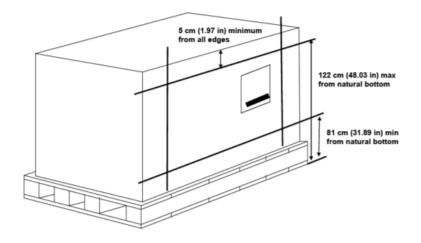
- Must encode an approved RFID tag data structure
- Suppliers that are EPCglobal subscribers and possess a GS1 company prefix may use any of the EPC Identifiers and encoding instructions described in the EPC<sup>™</sup> Tag Data Standards document to encode tags.
- Suppliers who choose to employ the DoD construct will use their previously assigned Commercial and Government Entity (CAGE) code and encode the tags per the rules that follow.

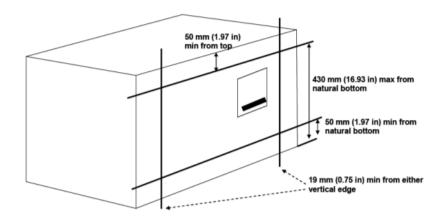
Header Filter		Gov't Managed Identifier	Serial number					
Identif	fied DoD Co	nstruct		identifies the hierarchy esented using the following values:		Supplier CAGE Code	68+ Billion Unique	
	8-bits			4-bits		48-bits	36-bits	
<u>Hex</u>	<u>Binary</u>	<u>Desc</u>	<u>Hex</u>	<u>Binary</u>	<u>Desc</u>			
			0	0000	pallet	ASCII "space" + 5 ASCII characters	(left fill with spaces)	
2F	00101111	DoD Construct	1	0001	case		ASCII Space + 3 ASCII CHaracters (left fill with s	(left fill with spaces)
		Construct	2	0010	unit pack			



# Tag Placement

# RFID-enabled Label Placement on Palletized Unit Load



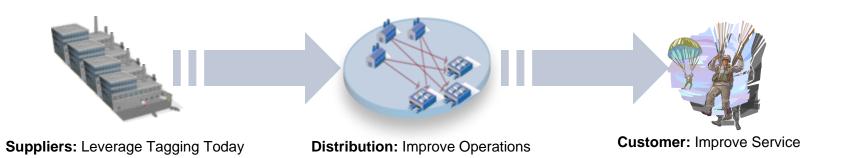


RFID-enabled Label
Placement on Case
(Shipping and Exterior
Container)



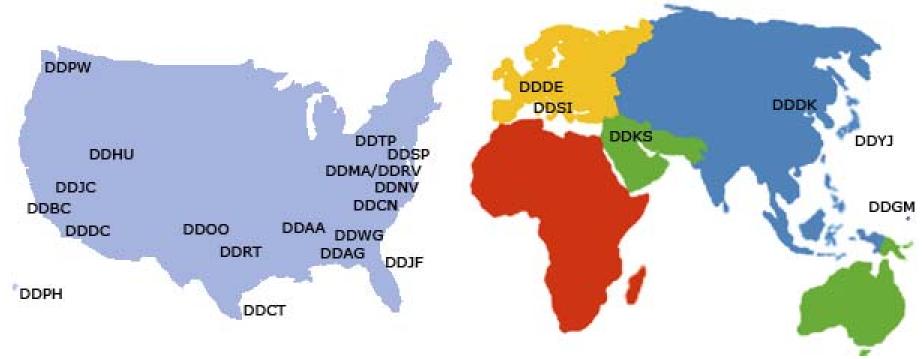
# **DLA AIT Program**

Leverage Automatic Identification Technology in our logistics operations to better support the warfighter by reducing cost and improving service.





## **Defense Distribution Centers**



Distribution Depots receiving tagged RFID cases and pallets today

• CONUS: All Distribution Depots

OCONUS: DDPH and DDGM



## **RFID Benefits**

### **Supplier Benefits**

- ✓ Improved planning
- √ Faster demand responses
- ✓ Reduced Bull Whip Effect
- √ Streamlined business processes
- ✓ Improved efficiency in the recall of defective items
- ✓ Increased ability to ensure that product(s) remain stocked on DoD's shelves
- ✓ Faster receipt of payments for supplied goods

### **DoD Benefits**

- ✓ Improved inventory management
- ✓ Improved labor productivity
- ✓ Elimination of duplicate orders
- √ Replacement of manual procedures
- ✓ Automated receipt and acceptance
- ✓ Improved inventory and shipment visibility and management
- ✓ Reduced shrinkage
- ✓ Enhanced business processes within the DoD
- ✓ Improved asset tracking



### Resources

WAWF <a href="https://wawf.eb.mil/">https://wawf.eb.mil/</a>

WAWF Training
 <a href="http://www.wawftraining.com/">http://www.wawftraining.com/</a>

DLA WAWF <a href="http://www.dla.mil/j-3/wawf/">http://www.dla.mil/j-3/wawf/</a>

RFID in DoD <a href="http://www.acq.osd.mil/log/rfid/index.htm">http://www.acq.osd.mil/log/rfid/index.htm</a>

Supplier's Guide <a href="http://www.acq.osd.mil/log/rfid/r\_suppliers\_guide.html">http://www.acq.osd.mil/log/rfid/r\_suppliers\_guide.html</a>

epcGlobal
 http://www.epcglobalinc.org/standards

MIL Packaging Standards <a href="http://assist.daps.dla.mil">http://assist.daps.dla.mil</a>



# Summary

- Passive RFID has benefits for DoD and its suppliers
- DoD Policy requires suppliers to tag cases and pallets for certain products into specific destinations
- By improving velocity and reliability, DLA will help make the defense supply chain a more effective weapon for use by the warfighter

## **Defense Logistics Agency**



AIT and passive RFID

August 2009

Mark Lieberman







2009 LAND & MARITIME SUPPLY CHAINS BUSINESS CONFERENCE & EXHIBITION

17 – 19 August 2009, presented by Deborah Thompson on behalf of the DSCC-VSP Packaging Office, Columbus



#### **PACKAGING**



- Military Packaging/Preservation & Marking
- MIL-STD-2073(D) (Packaging Codes Standard)
- ASTM D-3951 "Commercial Packaging"
- MIL-STD-129(P)(4) (Marking Standard)



#### **MIL-STD-2073**



- Coded Packaging data for items going into the Military distribution cycle
- Information contained on solicitations and awards specifying the packaging coded data required to protect item through life cycle (Section B, on solicitations & awards)
- Determined by item characteristics (fragility factors, destination considerations, etc.)



#### **Example of Requirements**



Quantity Unit Pack (QUP) CODE

Preservation Method CODE

Cleaning and Drying Procedures CODE <u>1</u>

Preservative Material CODE

Wrapping Material CODE

Cushioning and Dunnage Material CODE

Cushioning and Dunnage Thickness CODE X



#### MIL-STD-2073, Continued



Unit Container CODE

**D3** 

- Optional Procedure Indicator CODE
- Intermediate Container CODE
- Intermediate Container Quantity CODE <u>024</u>
- FOR DLA STOCK: Pack CODE

   (page 175 of standard 2073)
- FOR FMS Shipments: Pack CODE
   (page 173 of standard 2073)



#### **Preservation Methods**



- Method 10 Physical protection only
- Method 20 Preservative coating requirement
- Method 30 Waterproof protection
- Method 40 Watervapor proof protection
- Method 50 Watervapor proof with desiccant

#### • Examples found:

http://www.dscc.dla.mil/Offices/Packaging/preservation.html



#### **Special Preservation**



## <u>Table J.Ia, SPECIALIZED PRESERVATION CODES</u> (MIL-STD-2073, pages 143-148)

Codes used for packaging procedures that cannot be conveniently or adequately described without amplification of the basic method and material symbols.

"AE" means seal/plug all openings & preserve Method 10

"BL" means seal/plug all openings & preserve Method 20

"GX" means preserve Method 41 with ESD & electromagnetic protection

"HM" means package and mark I/A/W applicable hazmat regulation



#### **ASTM D-3951**



- FOR NON-FMS AND NON-STOCK ORDERS
   FOR CONUS DELIVERY AND OCONUS
   PRIORITIES 1 THRU 8: MARKED AND
   PACKAGED STANDARD COMMERCIAL IAW <u>ASTM</u>
   D 3951 AND BAR CODED IAW AIM <u>BC1</u>.
- Document may be ordered from: http://www.astm.org/DIGITAL\_LIBRARY/index.shtml



### **ASTM D-3951, Continued**



- Items Intended for Immediate Use
- Items not for Mission Capable Supply
- Items Intended for Depot Operational Consumption
- Small Parcel Shipments (CONUS), Not for Stock
- Direct Vendor Deliveries (CONUS)



## **Reports of Discrepancies**



#### Common types of non-compliances:

- Heat treated wood requirements I/A/W DLA
   COntract clause: 52.247-9012 REQUIREMENTS FOR TREATMENT
   OF WOOD PACKAGING MATERIAL (WPM) (FEB 2007) (P215)
- Marking problems, elements of MIL-STD-129 missing or incorrectly labeled
- Preservation and packing non-conformances
- Listing of all types of discrepancies: http://www.dscc.dla.mil/Offices/Packaging/TypicalPkgDisc.html



#### QUP vs UNIT OF ISSUE



- Quantity per Unit Pack & Intermediate Pack determination is specified on contract, (and criterion referenced on pages 65-68 in MIL-STD-2073)
- Unit of Issue considerations (example BX, PG, RL, FT, EA, etc.)
- Quantity and Unit of Issue. (5 EA, as an example) A non-definitive unit of issue shall be accompanied by a quantitative expression such as "1 RO (100 FT)".



#### **Quantity Per Unit Pack**



#### MILITARY PACKAGING QUP & ICQ

#### QUP of ONE:

Repairables, Items \$50 or more, Method 50 items, irregular, delicate or fragile items, pairs, sets and kits.

#### QUP more than ONE:

Formulas based upon item weight, dimensions, cost, and Method of Preservation

#### Intermediate Container Quantity

Maximum of 100 unit packs, 40 pounds or 1.5 cubic feet with at least two dimensions not exceeding 16 inches.



#### MIL-STD-129 Marking



- Page 176 in MIL-STD-2073 complete listing of all Special Marking Codes
- Mandatory for all locations both Conus (Continental United States) and OConus (Outside of Continental United States)
- Including MSL (Military Shipping Label) and RFID requirements
- Latest revision MIL-STD-129(P)(4) P Revision; 4 is change notice



#### **Example of Markings**

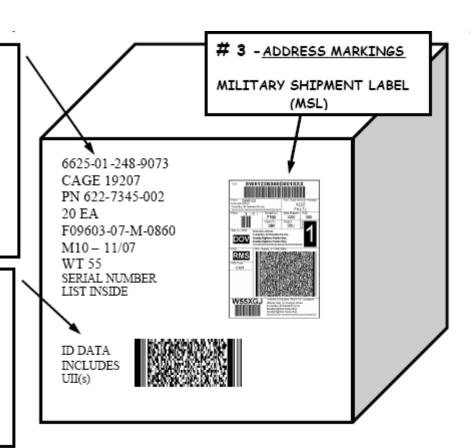


#### # 1 - IDENTIFICATION MARKINGS

- NATIONAL STOCK NUMBER
- CAGE CODE
- PART NUMBER
- QUANTITY AND UNIT OF ISSUE
- CONTRACT NUMBER & LOT NUMBER
- MILITARY METHOD & DATE OF UNIT PRESERVATION
- WEIGHT (LBS)
- SERIAL NUMBER(S)

#### # 2 - 2D (PDF417) Symbol Data with (Data Identifiers)

- NATIONAL STOCK NUMBER (N)
- CONTRACT NUMBER (8K)
- CAGE CODE (17V)
- CONTRACT LINE ITEM NUMBER (4K)
- CONTRACTOR SHIPMENT NUMBER (5K)
- SERIAL NUMBER(s) (S)
- UNIQUE ITEM IDENTIFIER (25S)





#### Military Shipping Label



The recommended size for the MSL is 4 inches by 6 inches.



#### **Required Bar Coding**

Code 39 (Linear)

- •TCN
- Piece Number
- Ultimate Consignee

#### DODAAC PDF417 (2D)

- Shipment
- Line Item
- TCMD Data



#### **Questions?**



 If there is anything I have not covered in my presentation or something you want further clarification on....

- If not, the link below provides the ICP packaging Points of Contacts and their email address;
   Columbus is broken down by Federal Stock Class assignments:
- http://www.dscc.dla.mil/Offices/packaging/DLApoc.html



#### Resources



- Thomas Register Search
- http://www.thomasnet.com/prodsearch.html?co v=NA&which=prod&what=Military+Packaging+ houses&navsec=search
- DLA Packaging Website
- http://www.dscc.dla.mil/Offices/packaging/packf aq.html
- Deborah.D.Thompson@dla.mil Packaging Manager



#### Resources, Continued



- RFID Supplier Site
- A Supplier Guide that contains information that details requirements for compliance is located at www.dodrfid.org/supplierguide.htm
- (MIL-STD-2073 packaging code interpreter)
   http://www.palm.saic.com/code\_lookup.nsf/codecheck
- ANSI Quick Search http://assist.daps.dla.mil/quicksearch



# Immense Honor



## **NAVISTAR MAXX-PRO**





## **Serving our War fighters**



## War Fighter Not Just Another Customer







## "Buy the Best and Only Cry Once"



# UNDERGROUND PIPELINE INC.

## A View From Above





# 

## **Sewer Lift Station**













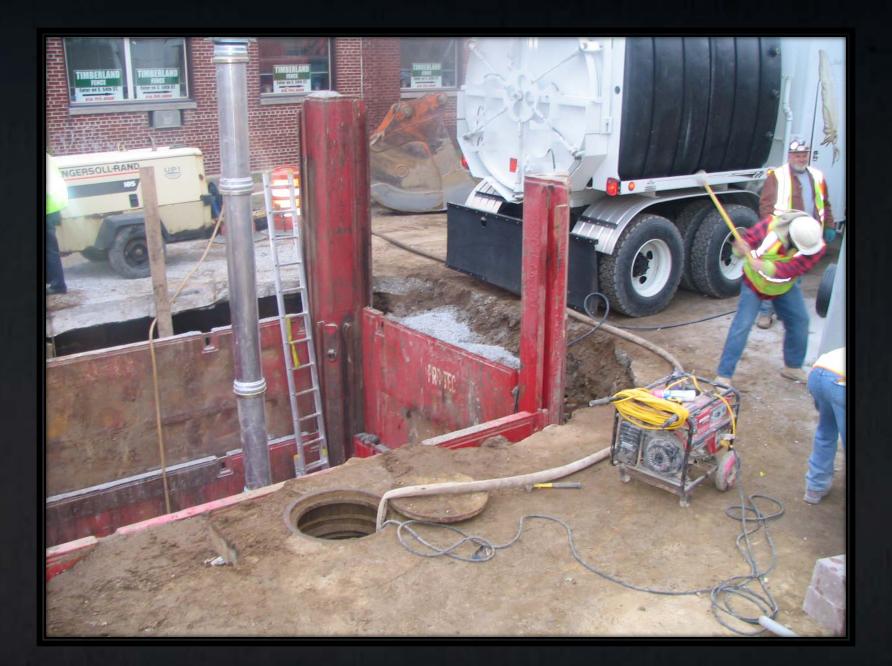














## Deeds

## Not

Words



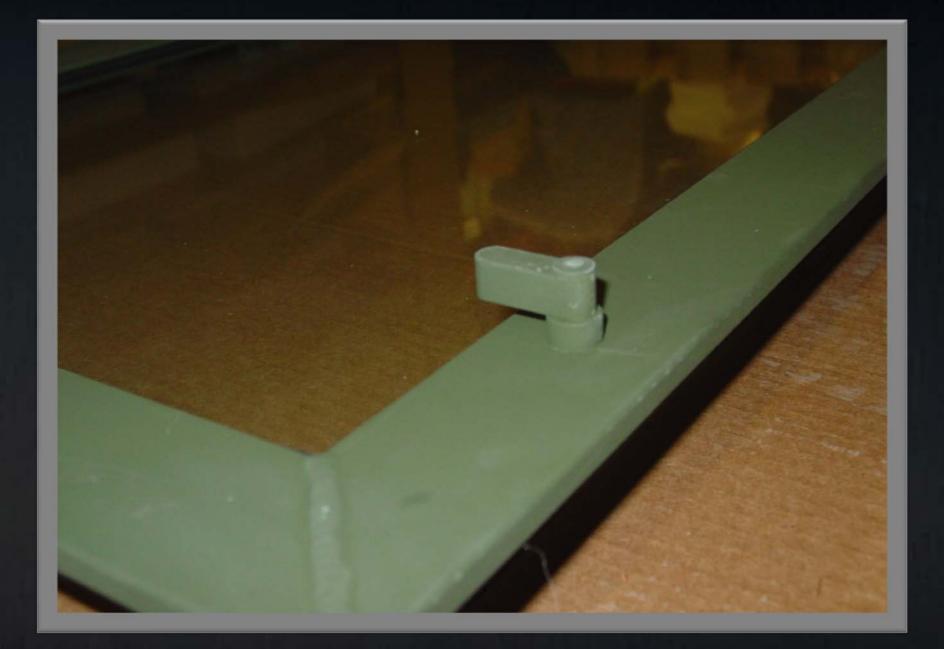






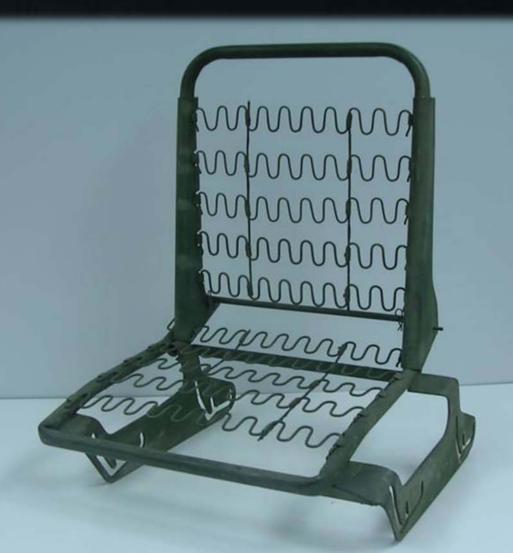










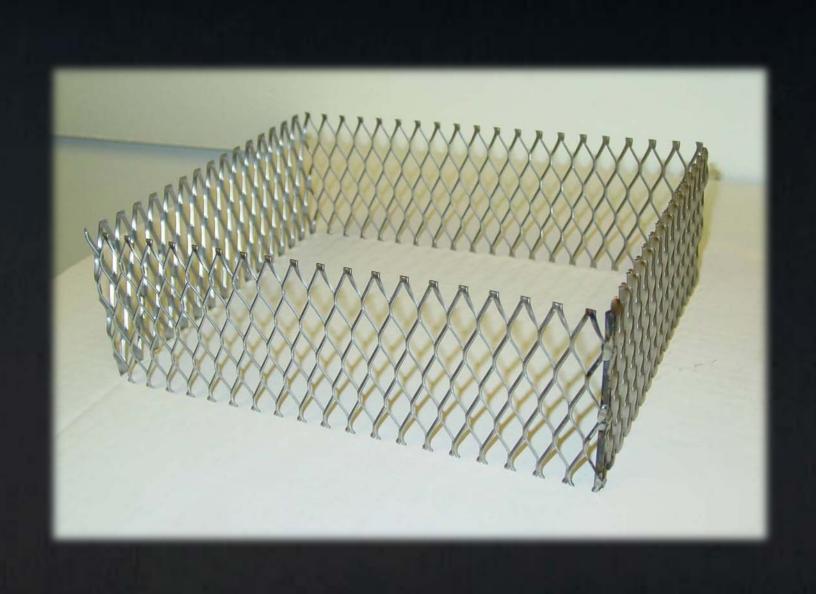


## Fort Atkinson Facility















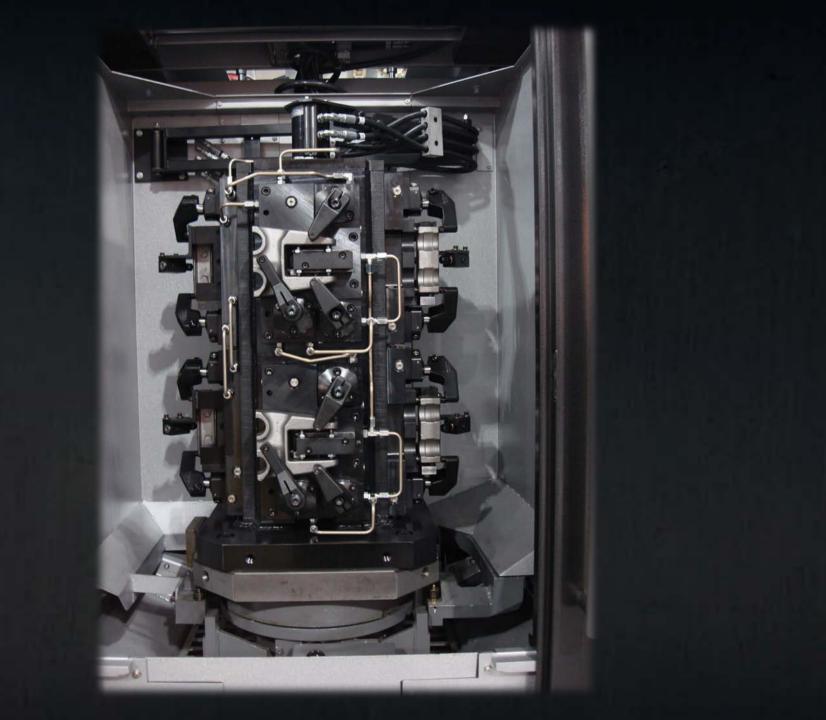








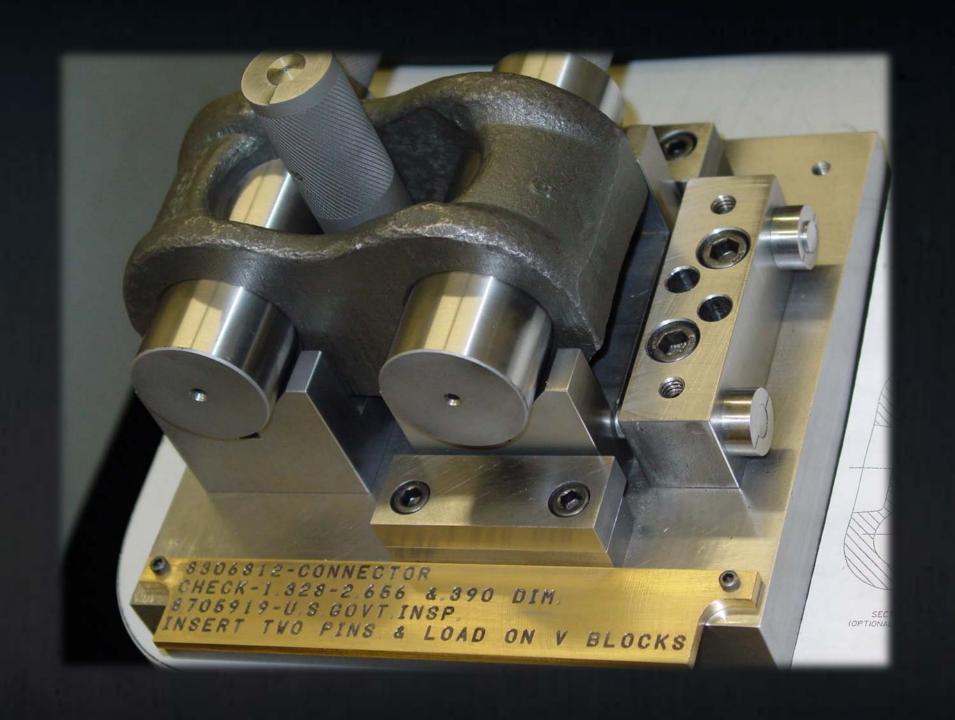


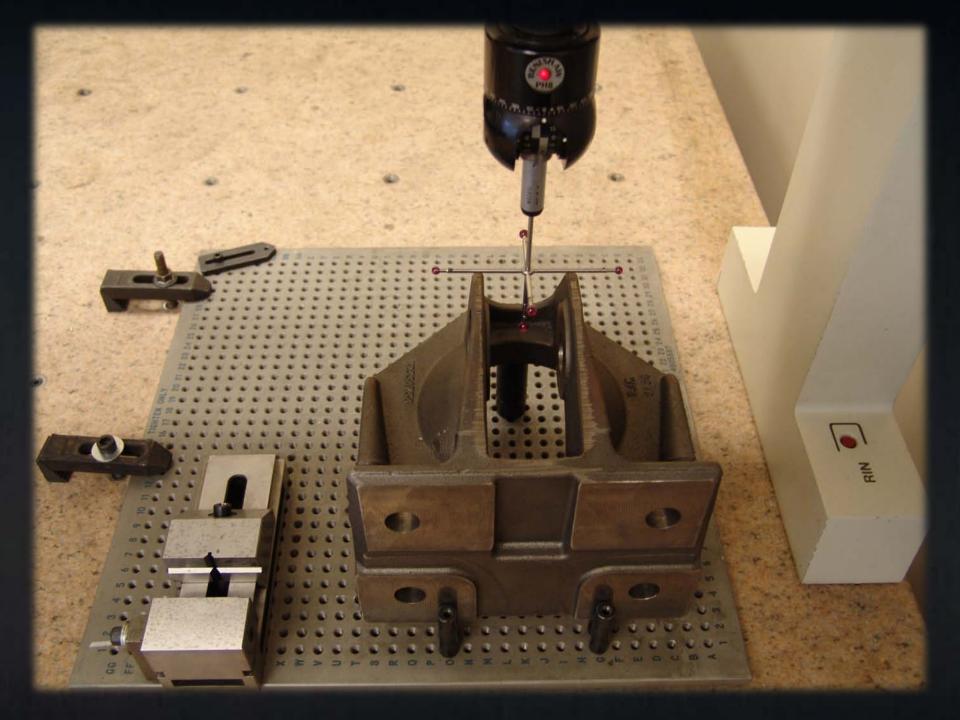




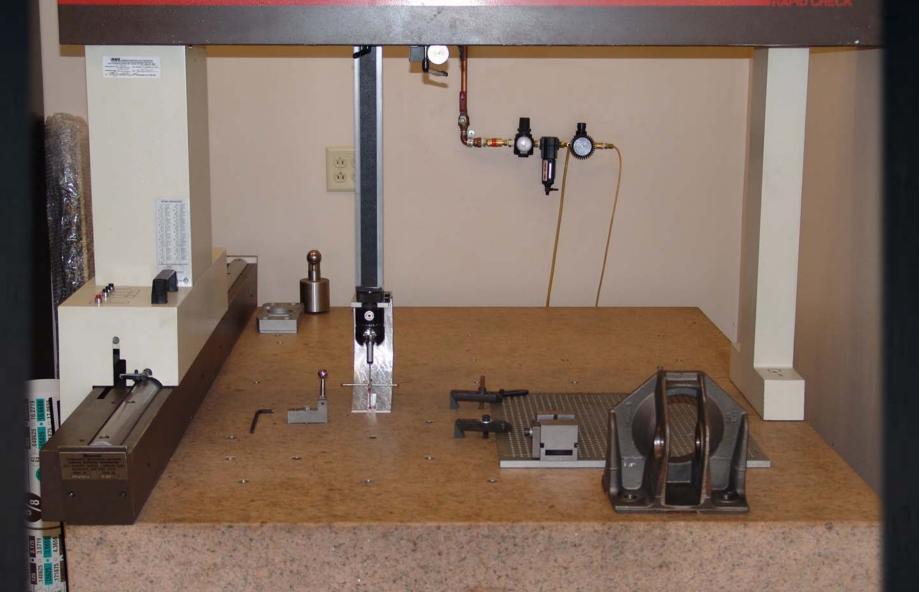


















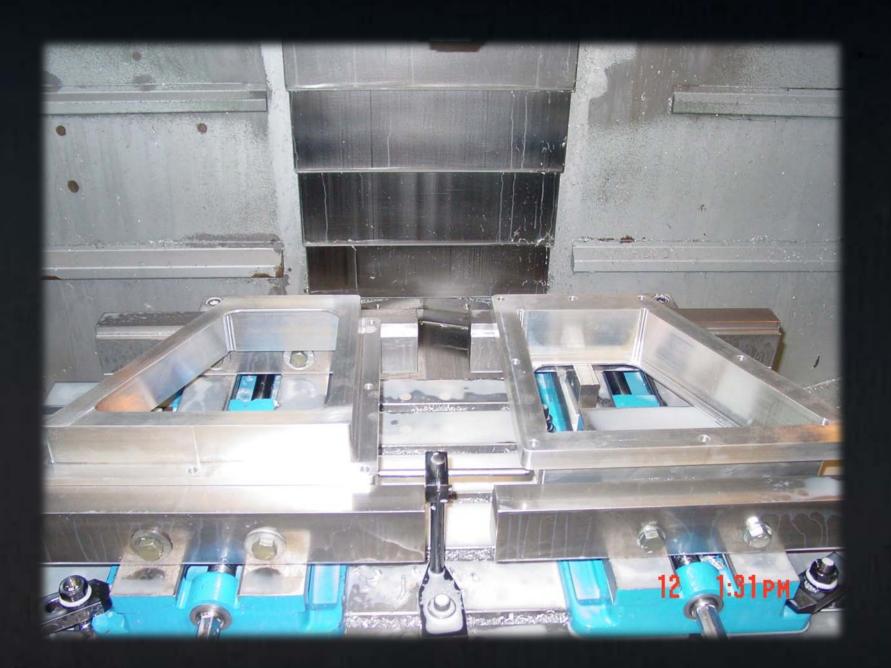
















## Pope Glass























# May God Protect Those Who Protect Us



## Serve Those Serving



### They Can Not Fail



Neither Can WE!





- Recapping Our Spend Analysis
- Strategic Sourcing Strategies
  - An Overview of Our Approach
- Today's Major Strategic Programs
- Tomorrow's Challenges & Opportunities
- Questions



## "If you don't know where you are going, any road will get you there."

- Lewis Carroll



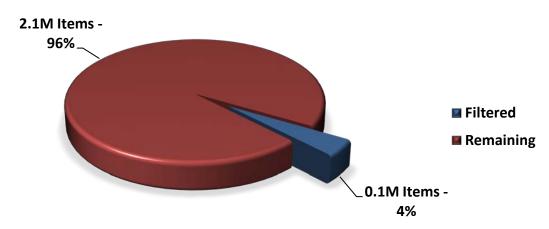
- Recapping Our Spend Analysis
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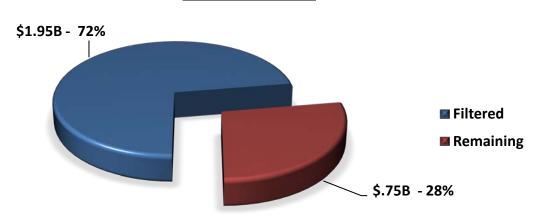
#### Spend Analysis

A Spend Analysis was conducted to derive the optimal population of NIIN candidates for long term procurement strategies over the next 5 year horizon.

#### Items (NIINs)





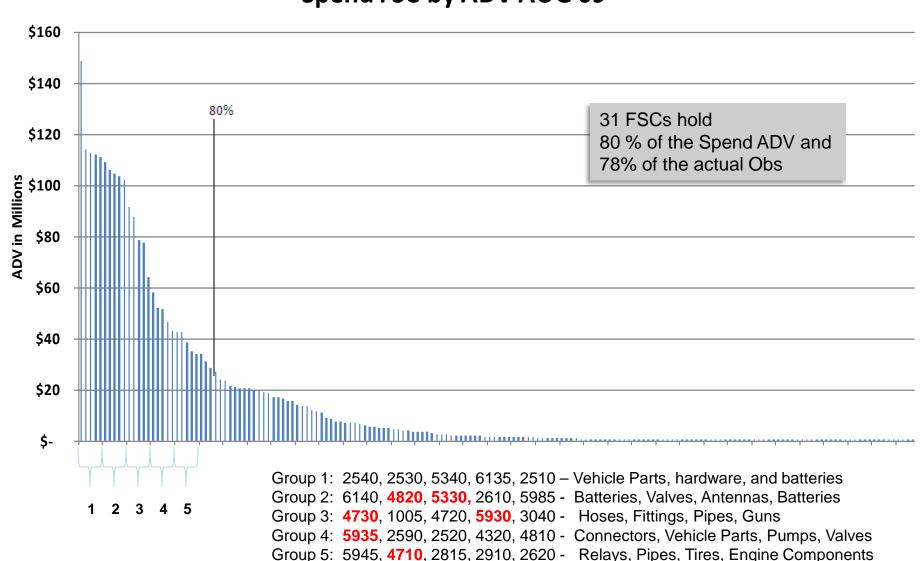


There are 2.2 M items in Land and Maritime, representing \$2.7B in annual demand value. Spend focused on business drivers that resulted in identifying 4% of these items which cover 72.5% of the ADV, and 70.5% of the annual actual obligation dollars.



## Spend Analysis by Federal Supply Class (FSC)

Spend FSC by ADV AUG 09





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#### **Guiding Principles**

- Protect the supply chain
  - Deliver conforming material
- Enhance warfighter readiness
  - Ensure availability and responsiness to customer need
- Efficient use of taxpayer dollars
- Leverage automation whenever possible
- Maximize small business participation



#### Four Procurement Avenues of Approach

- 1. Acquire whole supply chains or commodity groups
  - Tire Privatization Initiative
  - Maritime Supply Chain Partnership: Microelectronics, etc.
  - Batteries
- 2. Where appropriate to customer need, acquire and integrate supplies and services
  - PBL arrangements, Integrated Logistics Partnerships, Industrial Product Support
- 3. Where integration services are not required, acquire strategic material with flexible response
  - Long-term contracts with performance requirements, strategic supplier alliances
- 4. For non-strategic material: transactional buys...automate where possible



#### Strategic Sourcing Approaches

#### Strategic

- Supplier based: Corporate long-term contracts (LTCs) with OEMs with many NSNs crossing the DLA enterprise
- Customer or Weapon System based: ILP (CP), IPV, ROWPU
- Commodity based: Supply Chain Partnership Initiative

#### Operational

- Manual awards above or below the Simplified Acquisition Threshold (SAT)
- Automated awards below the SAT (PACE)
- Single or small NSN grouping Indefinite Quantity Contracts (IQCs) and Automated Indefinite Delivery Purchase Orders (AIDPOs)



#### Strategic Sourcing Spectrum

Illustrative

#### Strategy Aligned by Commodity Group (FSC)

FSC	Strategic			
	Commodity Based	Weapon System	Supplier	Customer Based
Examples	SCP	FASI-G	Corporate Contract	ILP
FSC 1XXX	50%	5%	20%	10%
FSC 2XXX	20%	25%	10%	5%
FSC 3XXX	30%	10%	15%	20%
FSC 4XXX	15%	20%	25%	15%
FSC 5XXX	5%	10%	15%	20%

Operational				
LTC	Large/ Small Manual	PACE		
0%	10%	5%		
5%	10%	25%		
15%	0%	10%		
5%	15%	5%		
20%	25%	5%		

#### **Notional Spend Distribution**



#### Strategic Sourcing Spectrum

#### Strategies Aligned by Weapon System or Platform

ESC.	Strategic Long Term Contracts				
FSC	Commodity Based	Weapon System	Supplier	Customer Based	
Examples	SCP	CVSI, ROWPU	Corporate Contract	ILP	
MRAP	5%	0	65%	0	
M1 Abrams	20%	50%	10%	0%	
HMMWV	30%	30%	15%	5%	
ROWPU	15%	40%	0%	0%	
Bridging Systems	15%	40%	15%	0%	

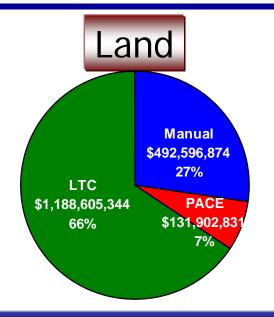
Operational					
LTC	Large/ Small Manual	PACE			
15%	10%	5%			
5%	10%	5%			
9%	1%	10%			
5%	15%	5%			
0%	25%	5%			

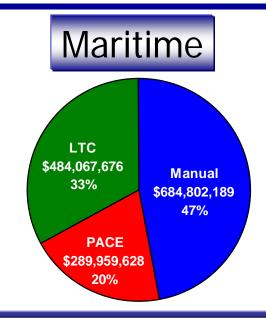
#### **Notional Spend Distribution**



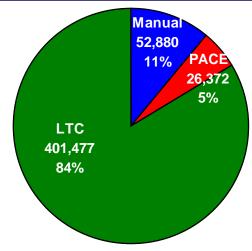
## Spend Distribution by Contract Type (FY 08)

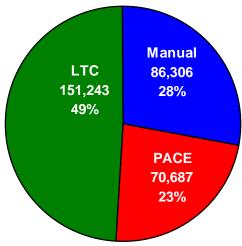






Award Actions







- Recapping Our Spend Analysis
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#### **DLA Support to MRAP**

We broke the mold in provisioning and sustainment

**Parts Support Strategy: Original Plan** Actual **VS** Incremental CLS transition to organic, based on NSN assignment and theater requisitions **FY08 FY09 FY10** 2QTR 3QTR 4QTR 4QTR 1QTR 3QTR 1QTR 2QTR 2QTR **Provisioning** Phase I: Forecasted & Demand Driven Parts Phase II: Complete Weapon System Type II NSNs (CAGE & PN) assigned for ASL/PLL Long Term Contracts (Sole Source & Competitive) Obtain TECH Data •Type I NSNs (Fully Described) Assignment/Identification Army G4 direction: Enable units to order via NSN using tactical STAMIS Organic Supply System (MILSTRIP) NSN Requisitions 2008 2009 MAY SEP MAR APR JUNE JULY **AUG** OCT NOV DEC JAN **FEB** PHASE 3 PHASE 1 PHASE 2 Air Conditioning Parts (258 NSNs) Over 5000 NSNs (OEM) Long term contracts (up to 19K NSNs) Planning began in Spring 08 Market Survey began Oct 2008 Planning in June 08 Undefinitized Contract Actions (UCA) UCA's issued in July 08 ID new LTCs and adds to current Issued May08 – deliveries through FY08 Deliveries continue in 2009 Award by Sep 09



## Tire Privatization Initiative (TPI)

#### **Program Requirements:**

- Worldwide Supply Chain/Inventory Management
- Inventory drawdown/elimination
- Obsolescence Management
- Industrial Base Maintenance
- Customer Support
- Time Definite Delivery
- Service Tailored Support
  - -Land/Army
  - -Aircraft/AF and Army
    - Landing Cost Index Program
    - Retread
    - Scrap Disposal

Better than 95% On-time Delivery

Michelin North America, Inc.

#### **Ground tires**



Michelin Aircraft
Tire Company

#### **Aircraft tires**



Time Definite Delivery Standards										
CAT**	CONUS	OCONUS	Conflict Support							
1	2	8	3*							
2	5	12	6*							
3	10	30	12*							
Expedited	2*	5*								



## Integrated Logistics Partnerships (ILP)

aka "Customer Pay"

#### **Letterkenny Army Depot**



Point of use = point of sale

Linking Suppliers to Demand

#### **Red River Army Depot**



- Jan 06 HMMWV RECAP at LEAD and RRAD; expanded to Maine Military Authority, Apr 06
- 23.8 M parts issued; 23,376 vehicles repaired
- 99.999% stock availability (6 Sigma results) 532 bin stock outs (compared to thousands pre-CP)
- Savings: \$4520 per vehicle at RRAD / \$3414 per vehicle at LEAD = 691 more vehicles produced
- Army, AMG, and DLA inventory levels = \$26.4M, a 76% reduction in the pre-CP Army inventory
- Army inventory reduced by 93.4% to \$7.3M
- RECAP PM decreased inventory investment by >95%
- Awarded follow-on contract 6 Nov 08 to AM General
  - Future expansion to Marine Corps

"Before Customer Pay, we went for about three months without producing a single vehicle that had 100 percent parts. Today, we go about three months without a single vehicle missing a single part."

--Dr. John Gray, LEAD Dep Cmdr



## Industrial Product Support (IPV)

- Integrated logistics solution for line-side bench stock at:
  - Anniston Army Depot
  - Red River Army Depot
  - Tobyhanna
  - and Letterkenny Army Depots
- Program Goals:
  - Improved reliability and responsiveness
  - Supply Chain Management, Parts Acquisition, Bin Management,
  - Forecasting, Obsolescence Management, --Customer Service Reps, Kitting, and Quality
    Assurance
  - Single point accountability
  - 99.85% Stock Availability at bin level

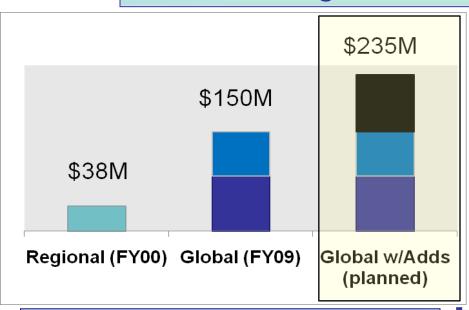






## Fleet Automotive Support Initiative (FASI) - Global

#### Increasing annual demand value coverage





#### **Objectives**

- 100% contractor management of supplies
- Reduced DLA inventory investment and customer costs
- Improved end-to-end supply chain visibility

#### **Supply Chain Partners**







## **Briefing Outline**

- Recapping Our Spend Analysis
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- Today's Major Strategic Programs
- Tomorrow's Challenges & Opportunities
- Questions



## M-ATV Vehicle Support

- Initial production delivery order to Oshkosh Defense to build MRAP-All Terrain Vehicles (M-ATV) for Afghanistan ops.
- 3 year contract with orders up to \$3.3B for production, delivery, and associated support.
- First M-ATVs will be fielded by October.
- Produce 1,000 vehicles/month by Dec 2009.
- MRAP JPO is planning to procure limited initial spares and wants DLA to provide sustainment during fielding, as we are doing for rest of MRAP
- DSCC/DLIS/ DLA are supporting early sustainment efforts



#### M-ATV FACT CHECK

- ► The M-ATV is a separate category within the MRAP family of vehicles.
- ► Mission: Small-unit combat operations in highly restricted rural, mountainous and urban environments.
- ► Troop Transport: Carry up to five personnel four plus a gunner.

Service Requirements:

■ Army vehicles - 2,598

■ Marine vehicles - 1,565

**■ SOCOM vehicles** - 643

■ Air Force vehicles - 280

■ Navy vehicles - 65

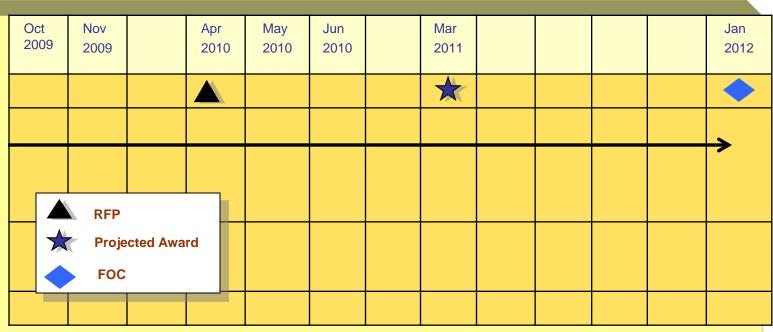
■ Test vehicles - 93

"From an equipment standpoint, there's no higher priority than to get these vehicles in theater as rapidly as we can."

- ADM Mike Mullen, Chairman Joint Chiefs of Staff



## Tires Successor Initiative (TSI)



#### **Objectives**

- 95% or better on-time delivery
- Address...
  - Industrial base concerns
  - OCONUS pricing

#### **Key Features**

- Critical timeline
- Engagement strategy with stakeholders
- Cost reductions



#### **ANAD-RRAD IPV Successor**

	May 2009	Jun 2009	Jul 2009	Aug 2009	Sep 2009	Oct 2009	Nov 2009	Dec 2009	Jan 2010	Feb 2010	Mar 2010	Apr 2010	May 2010
ļ													*
t													<b>→</b>
		RFP Projected Award											

#### **Objectives**

- A contract for continued support of the ANAD & RRAD maintenance lines.
- Provide worldwide support for customers using same items as depots.
   Eliminate dual support channels for DLA
- Issue solicitation July/Aug 09. Award by May 2010.

#### **Key Features**

 Flexible contract scope to handle new items and inactivate others



## Maritime Supply Chain Partnership Microcircuits and Semiconductors (FSC 5961/5962)

Scope	<ul> <li>95,000 NIINs</li> <li>12,500 (13.1%) Active</li> <li>68,000 orders for 447,000 units</li> <li>\$27M in Sales annually</li> </ul>
Environment	<ul> <li>Non-Conforming Material/Counterfeit</li> <li>Obsolete/Secondary Market</li> <li>Customer feedback</li> </ul>
Actions	<ul> <li>100% Traceability</li> <li>Qualified Suppliers List for Distributors</li> <li>Product Verification Testing</li> <li>ESA/Obsolescence</li> </ul>
Concerns	<ul><li>Supportability and obsolescence</li><li>Other commodities</li></ul>

Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
		Tech F	roposals	Due	Evalu	uations C	omplete		Aw	ard	
	ssue Sol	citation	Pric	ing Due			Neg	otiations	Complete	   <b> </b>  -	
4th Qtr FY09		1 <sup>st</sup> Qtr FY10		<b>2</b> <sup>n</sup>	d Qtr FY	10	3 <sup>rd</sup> Qtr FY10				



## Strategic Program Roadmap

Program	4 <sup>th</sup> Qtr FY 09	1 <sup>st</sup> Qtr FY 10	2 <sup>th</sup> Qtr FY 10	3rdQtr FY 10	4 <sup>th</sup> Qtr FY 10	1 <sup>st</sup> Qtr FY 11	2 <sup>th</sup> Qtr FY 11	3 <sup>h</sup> Qtr FY 11	4 <sup>th</sup> Qtr FY 11	1 <sup>st</sup> Qtr FY 12	2 <sup>nd</sup> Qtr FY 12	3 <sup>rd</sup> Qtr FY 12
H2O Purification Project			*									
IPV RRAD/ ANAD				*					♠ ★ Pr	RFP ojected Av	ward	
Tires Successor Initiative							*					
MRAP LTC		<b>*</b>	*	*								
Battery SCP												
CVSI												



## Strategic Program Roadmap

Program	4 <sup>th</sup> Qtr FY 09	1 <sup>st</sup> Qtr FY 10	2 <sup>st</sup> Qtr FY 10	3 <sup>st</sup> Qtr FY 10	4 <sup>st</sup> Qtr FY 10	1 <sup>st</sup> Qtr FY 11	2 <sup>st</sup> Qtr FY 11	3 <sup>st</sup> Qtr FY 11	4 <sup>st</sup> Qtr FY 11	1 <sup>st</sup> Qtr FY 12	2 <sup>st</sup> Qtr FY 12	3 <sup>st</sup> Qtr FY 12
Maritime FSC SCP				*	*	*	*					
				Phase 1	Phase 2	Phase 3	Phase 4					
RFP Projected Award												

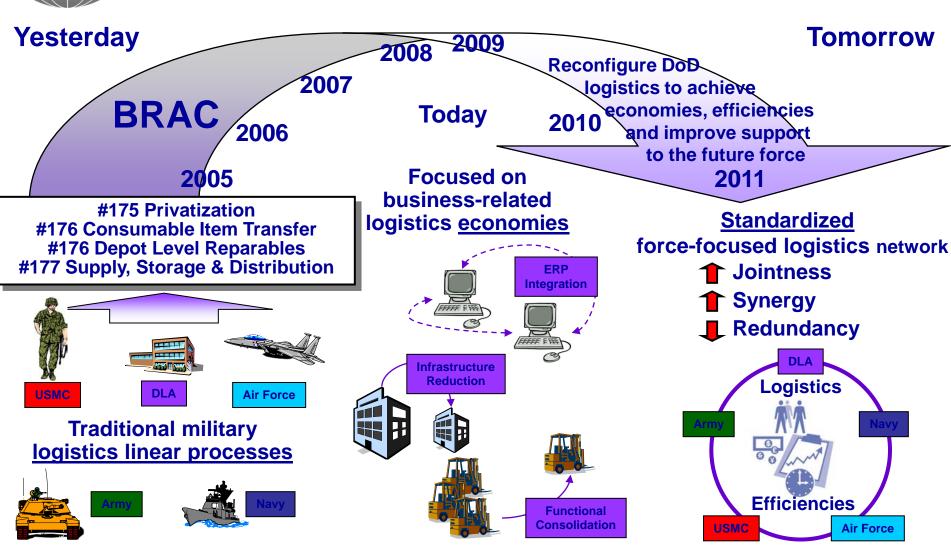


## Sourcing Trends – What you can expect

- Tailored requests for information (RFI)
- Reduced period of performance (including options)
  - 5 years or less
- Increased use of draft RFPs
- Increased use of oral presentations in the evaluation
- Use of incentives/disincentives provisions
- Aggressive small business participation goals
- Military Services participation in source selection
- Increasing emphasis on joint procurement opportunities



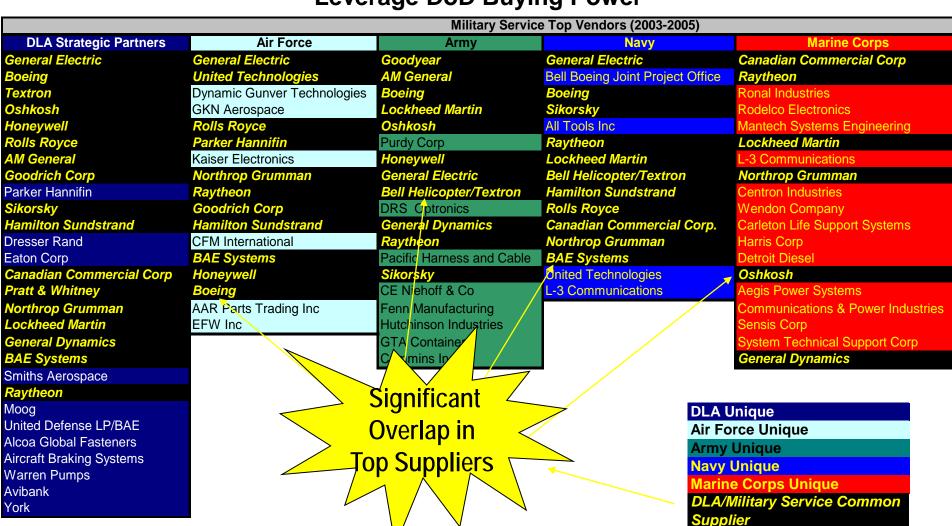
## Joint Opportunities – The Way Ahead

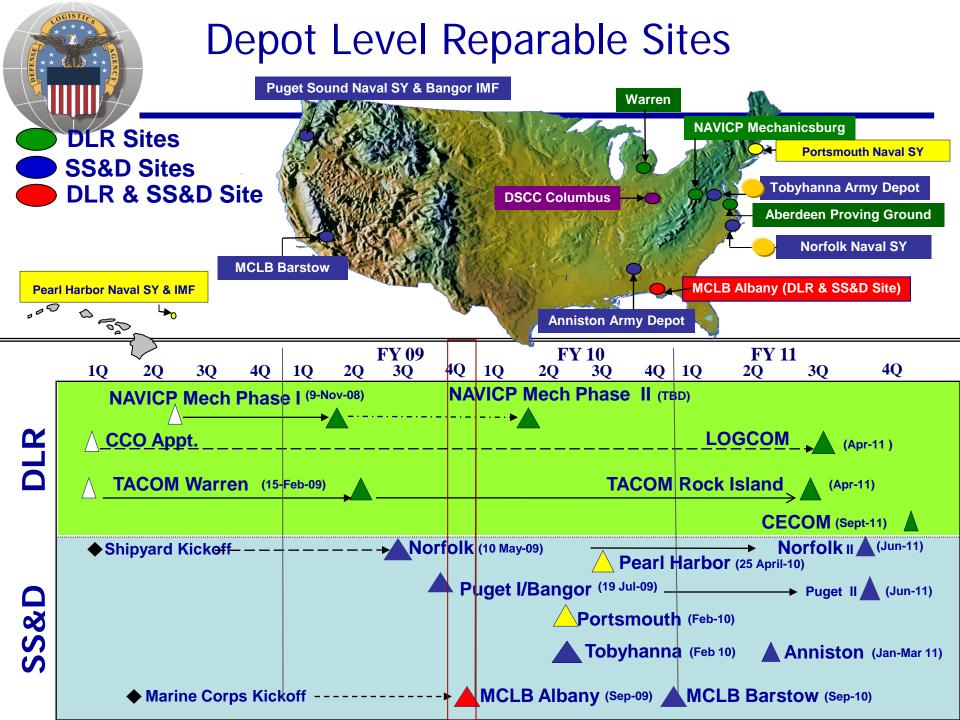




# DLA Strategic Partners & Top MILSVC Suppliers

#### Synergy Across Military Services – Opportunities to Leverage DoD Buying Power







## Maritime Joint Opportunities

Valve standardization contracts

#### Raytheon (DLA SSA Partner)

- DLR additions to the DSCC/Raytheon Corporate Contract
- Commodity-based: 74 Mechanicsburg circuit cards, annual value ~\$1.25M ...
   awarded Mar 2009
- CAGE-based (El Paso): 161 Mechanicsburg DLRs, annual value ~ \$3.4M estimated award date in early FY10
- Long-Term Acquisition Strategy ... convene Joint IPT in Aug with Service POCs and CCOs ... SSAT feedback received from Navy & Air Force ... annual SSAT projections \$8M in Mech (997 items) & \$267K in Phil (14 items) ... determine best long-term vehicle/support strategy

#### **Rockwell (DLA SCA Partner)**

- DSCC & Air Force have existing long-term contracts
- Service DLRs a mix of commercial and non-commercial items
- Long-Term Acquisition Strategy ... convene Joint IPT in Aug with Service PPOCs and CCOs ... SSAT feedback received from Navy ... annual SSAT projections \$3.4M in Mech (43 items) & \$273K in Phil (9 items)

#### **IMO Pump**

 Added Navy DLR pump to DLA LTC ... demand projected at ~ \$4.1M over FY09/FY10 ... awarded Jun 2009



## Land Joint Opportunities

#### Joint projects

- Include Army CIT NSNs (two transfers in 09, one in 10)
- Assigning DLR and CIT NSNs to Buyers
- Coordinating with Marine Corps

#### Add-on projects underway

- Detroit Diesel, Oshkosh Corp (including M-ATV)
- Cummins Engine
- BAE Systems, Fairfield, OH 106 NSNs
- AM General

114 NSNs Total: 50 DLRs 64 consumables

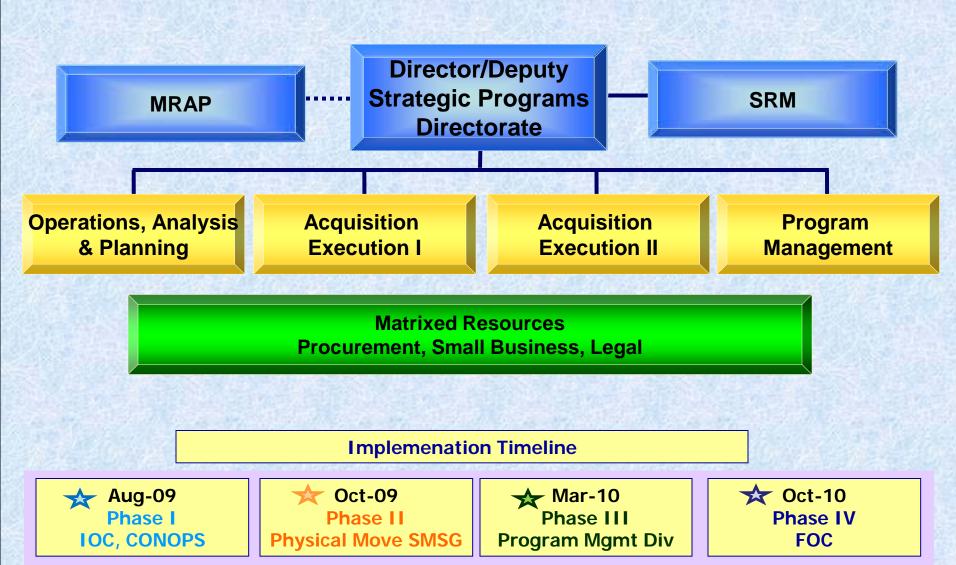
#### Additional add-on projects in research

- General Dynamics Land Systems-Canada: 88 NSNs
- Cadillac Gage Textron Inc.: 47 NSNs
- BAE Systems, Sealy, TX: 12 NSNs
- General Dynamics Land Systems: 207 NSNs
- BAE Systems, Land & Armament, Anniston, AL: 5 NSNs

359 NSNs Total: 70 DLRs 64 consumables



## Strategic Programs Directorate





We can never be any better than the suppliers who support us.

Thank you for all you do!





# Working together to bring them home safely!



## Questions?





## Defense Supply Center Columbus

Land & Maritime
Demand and Supply Chains

2009 Land & Maritime Supply Chain Business Conference

James M. McClaugherty, SES Deputy Commander



## **Agenda**



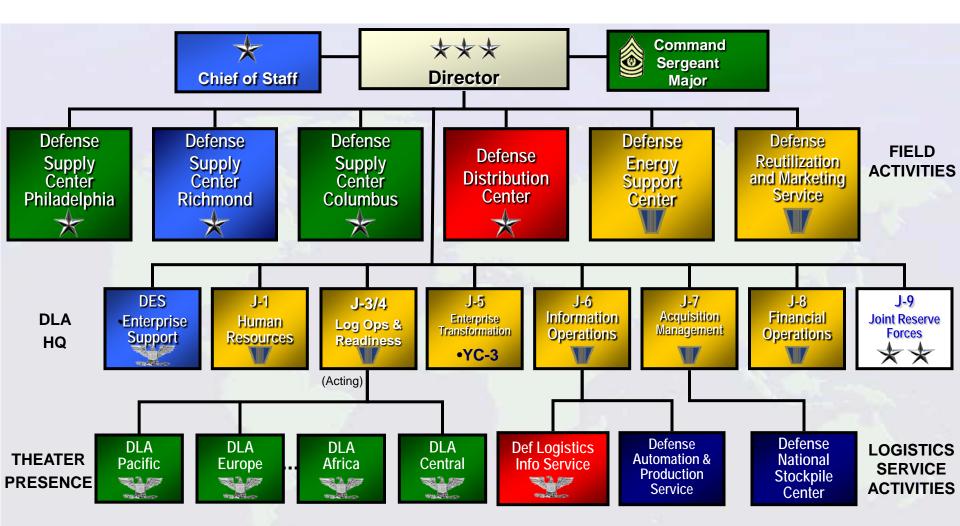
Organization
 Warfighter Support
 Stewardship Excellence

■ Workforce Development



### **DLA Organization**







### The DLA Enterprise



#### Our People:

- 23,853 Civilians, 470 Active Duty Military, 733 Reserve Military
- Located in 48 States/28 Countries

#### Support Warfighters the world over by:

- Making 111,000 Requisitions a day
- Producing 11,200 Contract Actions a day
- Resulting in 22.8M Receipts and Issues a year
- Staffing 25 Distribution Depots Worldwide
- Managing 3.8 Million NSNs via eight supply chains
- Supporting nearly 1600 Weapon Systems
- Providing ~95% of Services' repair parts
- Providing 100% of Services' subsistence, fuels, medical, clothing & textile, construction & barrier material



## **DLA – In Elite Company**



## FY04 sales/services of \$28B to FY09 projected sales/services of \$36.8B make DLA:

- #56 in the Fortune 100 (Above Lockheed Martin, Pepsico & Intel)
- Third largest storage capacity of the top 50 Distribution
   Warehouses (Only FedEx and UPS have more)
- 94.4M Barrels of Fuel sold already for FY09 and 132.53M in FY08
- \$20.3B Disposals & 1.4B Reutilizations for FY09

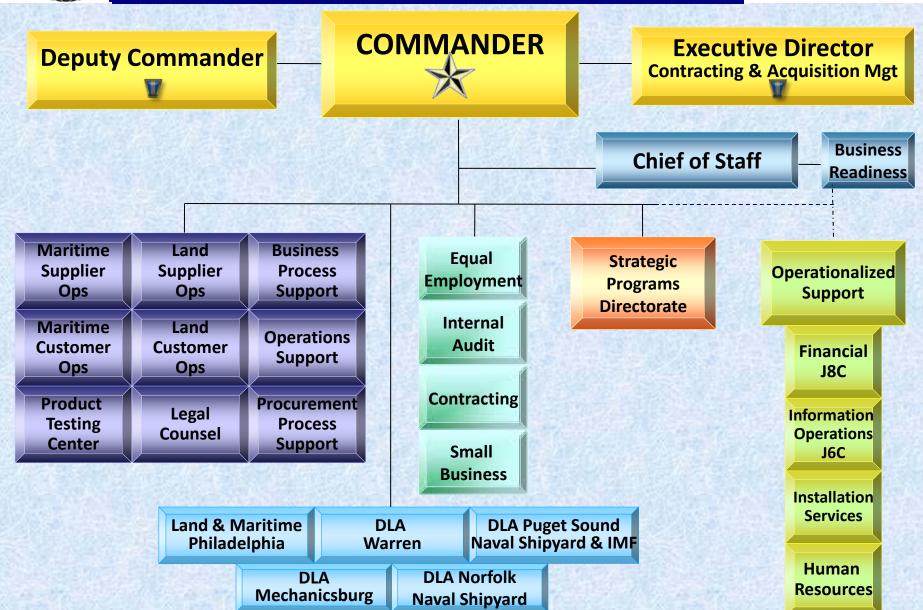
### Our reach extends far beyond DoD

- Foreign Military Sales program supports 115 Nations
- FY08 Foreign Military Sales of \$2.07B
- FY09 Projected Sales of \$1.53 Billion
- 570K shipments in FY09



## **Organization Chart**







## **DSCC Leadership Team**







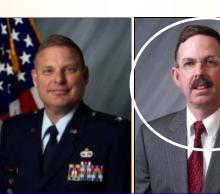


Mr. James McClaugherty, SES



**Commander** 

Thomas J. Richardson, BG



Ď.

**Chief of Staff** 

Col. Daniel K. Hicks, USAF

Mr. Griff Warren, Deputy



Executive Director,

Contracting & Acquisition

Management

Mr. Milton K Lewis, SES

Currently deployed as the DLA Support Team Commander at Camp Victory, Iraq



## **DSCC Leadership Team**





COL Carl D. Bird, USA
Mr. Eugene Williams, Deputy



LTC(P) Ryan B. Kivett, USA
Mr. Ben Roberts, Deputy



Maritime Customer Ops
CAPT Kevin Head, USN
Ms. Deborah Haven, Deputy



Maritime Supplier Ops
CAPT Roland G. Wadge, USN
Ms. Patricia A. Shields
CAPT Sel Cliff Scott, Deputies

#### **Land Supply Chain**

#### **Maritime Supply Chain**



DLA Warren Ms.
Ellen Dennis



DSCC Philadelphia
Mr. Roger Dixon



DLA Mechanicsburg
Mr. Doug Nevins



DLA Norfolk
CDR Bill Nash



DLA Puget Team
CDR Chris Anderson

**DLRs** 

**Land & Maritime** 

**DLRs** 

**Supply Storage & Distribution** 



## **DSCC Leadership Team**





MRAP & A76
Mr. Dan Bohn



Office of Counsel
Mr. Edward C. Hintz



Bus. Process Support
Mr. Todd Lewis



Procurement Support
Mr. Stephen Rodocker
Ms. Julie Van Schaik, Deputy



Operations Support
Mr. Sam Merritt
Mr. Michael Jones, Deputy



BRAC Office
Mr. Don Schulze



Product Test Labs
Mr. Keith Robinette



Small Business
Mr. Dwight DeWeaver



EEO
Mr. Charles Palmer



Internal Audit
Mr. Jim Kreimer



Public Affairs
Ms. Debra Perry



Information Operations (J6C)
Ms. Susan L. Van Meter
Mr. Robert Dunlap, Deputy



Financial
Operations (J8C)
Mr. Oscar Mitchell,
Director



Site Director
Mr. Kenny K. Youn
Mr. Robert Genton,
Deputy



Human Resources
Mr. Derek Saunders



AFGE Ms. Patti Viers



<u>IFPTE</u> Mr. Philip Henry



## **Agenda**



Organization Warfighter Support ☐ Stewardship Excellence ■ Workforce Development



# DLA Overview... Demand/Supply Chains



Aviation	Land	Maritime	C&T	Medical	Subsistence	C&E	Energy			
Richmond	Colum	bus		Philadelphia Philadelphia						
Original Equipment Manufacturer (OEM) Items  • Engines & Airframes  • Aviation Supply Chain Commodities	500 C		Recruit Clothing     Organizational Clothing Equipment		Institutional Feeding     Operations Rations     Produce	• Construction • Equipment				
EBS										



## **Demand and Supply Chains**



#### **Demand Chains:**

grouping of customers that are managed by Customer Operations

"Each <u>Customer</u> is aligned to one, and only one, <u>demand</u> chain"

**Customer Focus** 

**Aviation** 

Land

**Maritime** 

Construction and Equipment (C&E)

Clothing and Textiles (C&T)

**Medical** 

**Subsistence** 

**Supply Chains:** 

grouping of items/suppliers that are managed by Supplier Operations

"Each <u>item</u> is aligned with one, and only one, supply chain"

**Supplier Focus** 

from demand signal

to

order fulfillment



## The Mission...Land Demand/Supply Chain





**MCLB Albany** 

#### **Industrial Support Efforts**

- •IFSGs
- Collaboration
- •Customer Pay
- Tailored Production Kitting



**MCLB Barstow** 

#### Industrial and Operating Forces Support...





A call from the operating forces is not a disruption of our daily routine.

...and a Weapons Systems
Focus...

#### **Operational Support Efforts**

- •MRAP
- •Air Cond. Parts Support
- •Land Readiness Room
- •Armor/Suspension Kits
- •Reset/Reconstitution
- Forward Deployed CAS's



# The Mission...Maritime Demand/Supply Chain





Norfolk Naval Shipyard

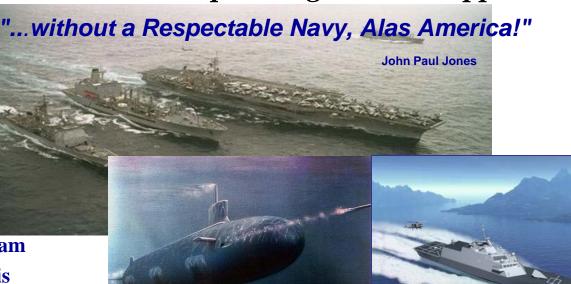
#### **Industrial Support Efforts**

- •Corporate Material Process Team
- •Shipyard Value Stream Analysis
- Demand Collaboration
- •Insulation Prime Vendor
- •Forward Positioned Resources



Trident Refit Facility Kings Bay

### Industrial and Operating Forces Support...



#### **Operational Support Efforts**

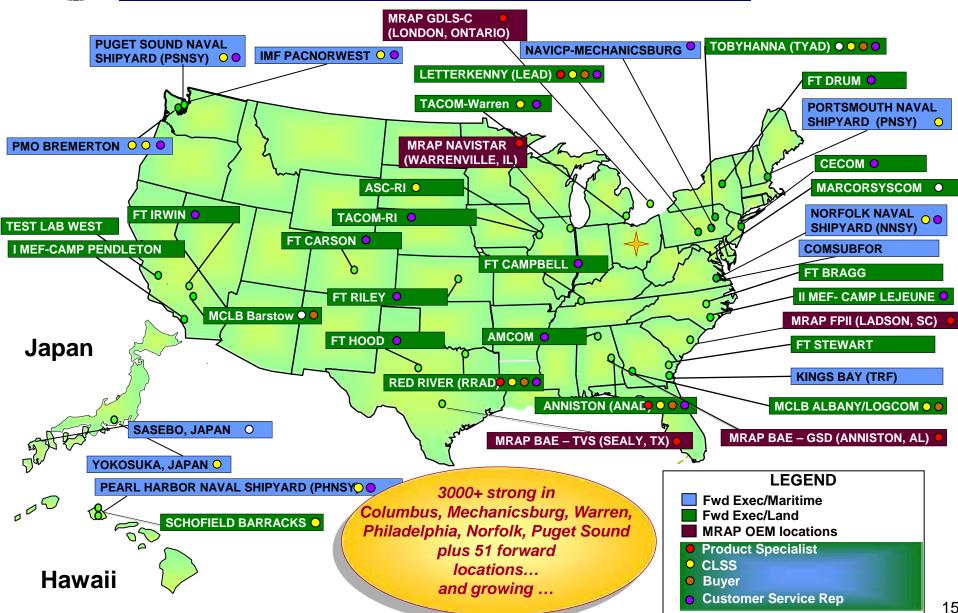
- •Nuclear Reactors Program
- •New Ship Class/System Support
- •Fleet Equipment Casualty Support
- •Forward Positioned Resources

...and a Weapons Systems Focus...



## Stakeholder On-Site Alignment







## Other Distributed Ops







## Warfighter Support Successes



#### Warfighter Support Programs and Initiatives

**Customer Alignment; Engagement at multiple levels and sites** 

**Army Reset Support** 

Robust Development of Performance Based Agreements with Customers

**Surface Warfare Partnerships and Fleet Engagement** 

**Rapid Readiness Response for Maritime Customers** 

Tires Privatization Initial Contract – end to end supply chain

Transfer of Batteries Management to DSCC – seamless

**Integrated Logistics Partnerships at organic repair facilities** 

**Industrial Product Support Vendor Initiatives** 

Fleet Automotive Support Initiative – Regional and Global

MRAP Support -- a true DLA success story

**Organic Manufacturing** 

Theater Provided Equipment Refurbishment Programs

**Iraqi Security Forces M1114 Transfer Program** 

**M2 Machine Gun Production Support** 



## **DLA Support to MRAP**



We broke the mold in provisioning and sustainment

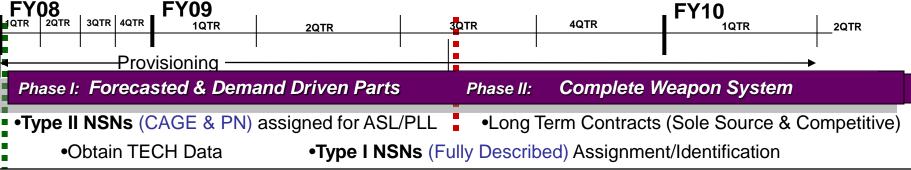
Parts Support Strategy:

**Original Plan** 

**VS** 

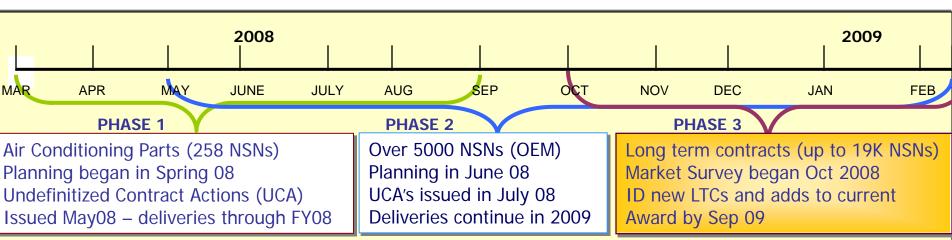
Actual

## Incremental CLS transition to organic, based on NSN assignment and theater requisitions



Army G4 direction: Enable units to order via NSN using tactical STAMIS

#### Organic Supply System (MILSTRIP) NSN Requisitions





## **M-ATV Vehicle Support**



- Initial production delivery order to Oshkosh Defense to build MRAP-All Terrain Vehicles (M-ATV) for Afghanistan ops.
- 3 year contract with orders up to \$3.3B for production, delivery, and associated support.
- First M-ATVs will be fielded by October.
- Produce 1,000 vehicles/month by Dec 2009.
- MRAP JPO is planning to procure limited initial spares and wants DLA to provide sustainment during fielding, as we are doing for rest of MRAP
- DSCC/DLIS/ DLA are supporting early sustainment efforts



#### M-ATV FACT CHECK

- ► The M-ATV is a separate category within the MRAP family of vehicles.
- ► Mission: Small-unit combat operations in highly restricted rural, mountainous and urban environments.
- ► Troop Transport: Carry up to five personnel four plus a gunner.

  Service Requirements:
  - Army vehicles 2,598
  - **■** Marine vehicles 1,565
  - **SOCOM vehicles** 643
  - Air Force vehicles 280
  - Navy vehicles 65
  - Test vehicles 93

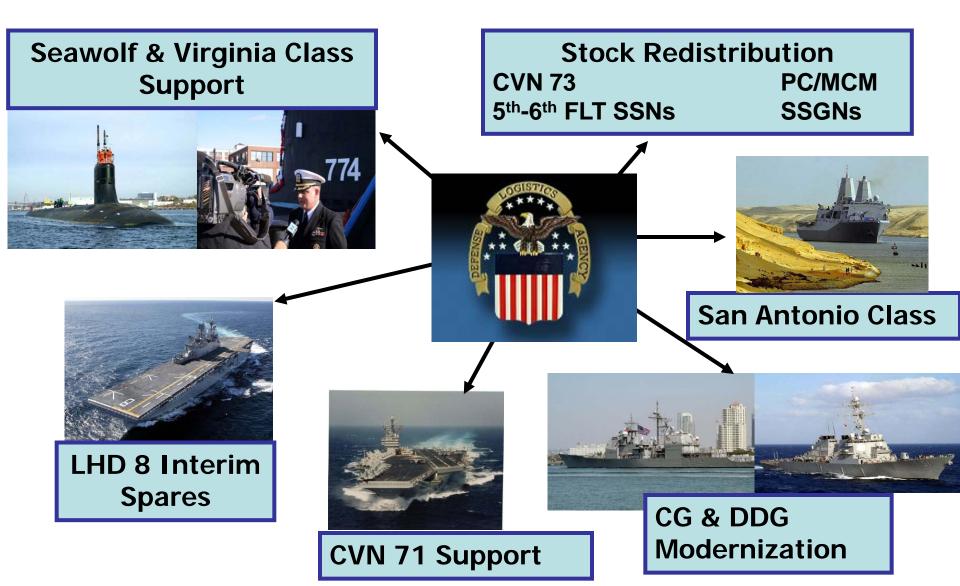
"From an equipment standpoint, there's no higher priority than to get these vehicles in theater as rapidly as we can."

- ADM Mike Mullen, Chairman Joint Chiefs of Staff



## Fleet Engagement







## Readiness Rapid Response



 USS PORT ROYAL GROUNDING



PHNSY HQ MSO PM DSCP-P

WSSM

CIC NAVSEA NAVICP NAVSESS DLIS HQ DDC NAVICP ISEA MSO DDC PTC DCMA PS

CSR

PHNSY NAVSEA CENTCOM PM  USS GEORGE WASHINGTON



GLOBE VALVE

USS GEORGE WASHINGTON (CVN 73) FIRE



COATED BRASS THREADED FASTENERS

BLACK OXIDE



## Four Major BRAC Initiatives Affecting DSCC and Our Partners



#### Law says:

 Realign <u>DLR Procurement</u> management and related support to DLA

#### End state: FY2011

- Single face of all DLR/consumable procurement
- Single procurement management strategic partnership with vendors
- Leveraged DoD buying power



#### Law says:

 Consolidate supply, storage and distribution functions and inventories of local DD with local base support

#### End state: FY2011

- Single manager of inventory and infrastructure
- Single tailored investment strategy





#### End state: FY2011

 Prime Vendor arrangements for supply, storage, distribution and disposal requirements.

#### Law says:

 Privatize Management, storage, distribution, and realign contracting functions for tires, packaged petroleum products, and compressed gases from services to DSCC and DSCR.

#### Execution

- Contracts by '07
- Storage by '08

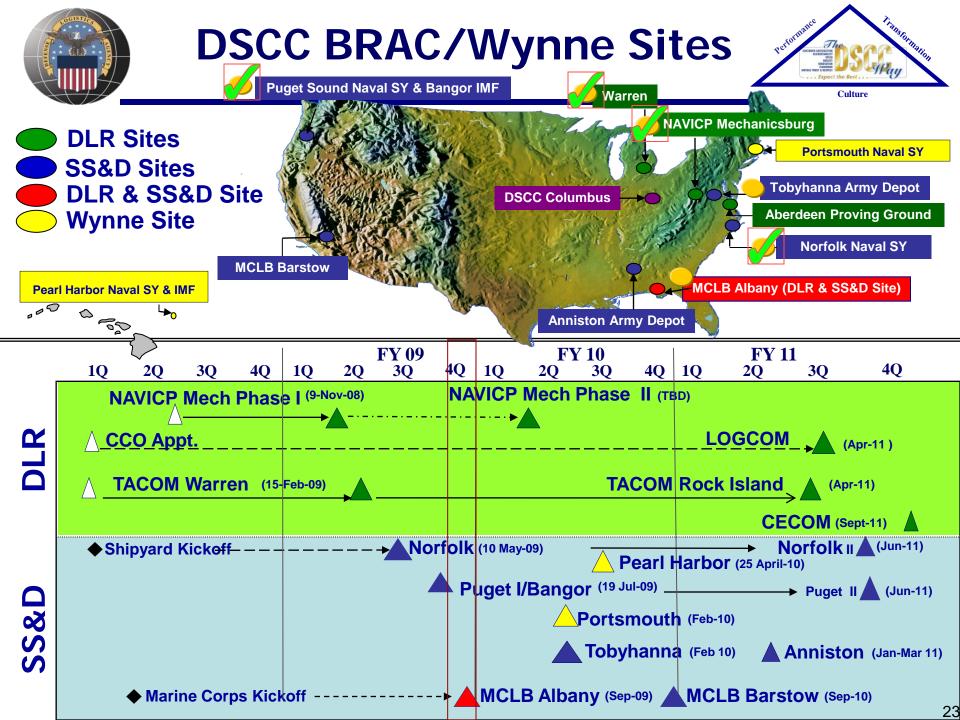
#### Law says:

 Most <u>Consumable Items</u> managed by the services will transition to DLA



#### End state: FY2011

- Cross Service Group identifying items
- Population considerably less than expected 350K





## **Agenda**



- Organization
- Warfighter Support
- Stewardship Excellence
- Workforce Development



## **DSCC Business Profile**



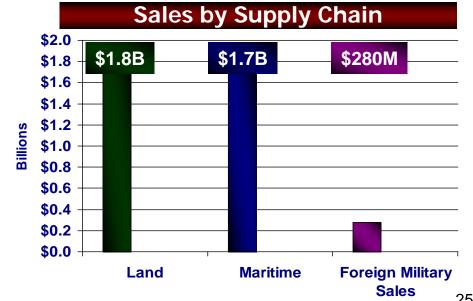
#### **Scope of Business**

- 2.1M NSNs
- 1,400+ weapon systems
- 145,000+ customers
- 6.7M requisitions
- 7,000+ suppliers
- 1,900 contracts at \$7.8M/day
- 707K contracts/year

#### FY09 Depot Level Reparables

- DLA-Mechanicsburg:
  - 7,400 contracts
  - Valued at \$240M
  - Supporting NAVICP
- DLA-Warren:
  - 800 contracts
  - Valued at \$195M
  - Supporting TACOM



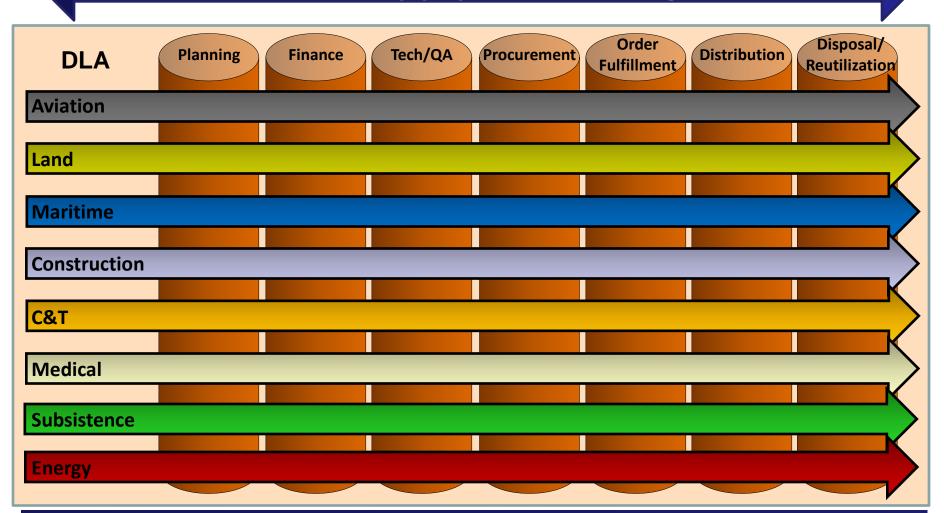




# DLA's Business Strategy Within Supply Chains



## **End to End Supply Chain Integration**



**Common Processes/Services Define Our Enterprise Supply Chains** 



## Supporting Rapid Acquisition



## Four Procurement Avenues of Approach

- 1. Acquire whole supply chains
  - Privatization: Tires
  - Microelectronics
  - Batteries
- 2. Where an end-to-end supply chain does not exist, acquire and integrate supplies and services
  - PBL arrangements, Integrated Logistics Partnerships, Industrial Product Support Vendors, Fleet Automotive Support Initiative-Global
- 3. Where integration services are not required, acquire strategic material with flexible response
  - Long-term contracts with performance requirements, strategic supplier alliances
- 4. For non-strategic material: transactional buys



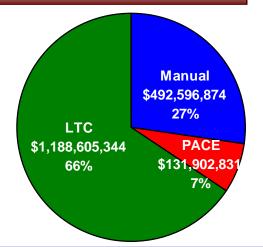
## **Contracts Breakout**

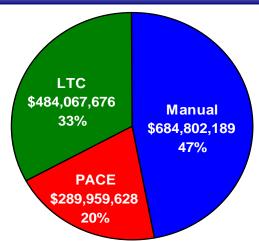




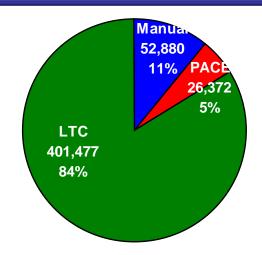


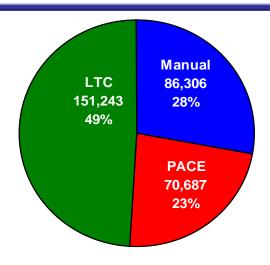
Dollars





Award Actions

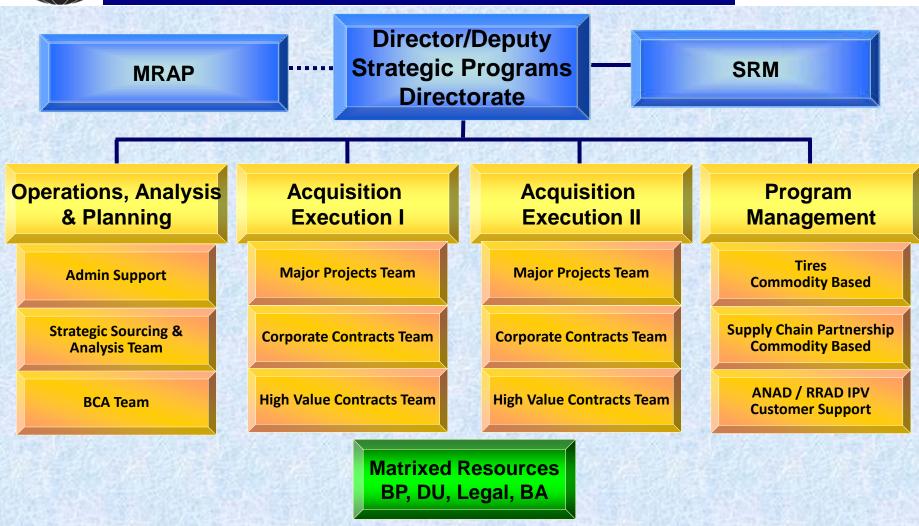






## Strategic Programs Directorate





Aug-09
Phase I
IOC, CONOPS

Oct-09
Phase II
Physical Move SMSG

Mar-10
Phase III
Program Mgmt Div

Oct-10
Phase IV
FOC



## **Eprocurement Overview**



#### EProcurement is a continuation of DLA's EBS Transformation

## <u>The Plan</u>

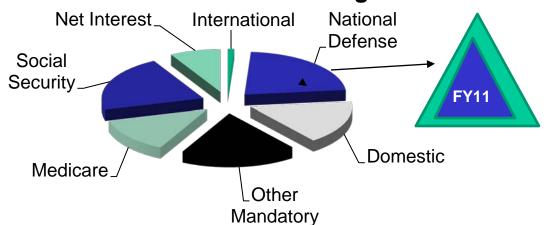
- What: Replacement of all current EBS procurement functionality plus inclusion of DPACS, ECF, PACE with DIBBS as a bolt on
- When: Initial Operational Capability (IOC) (pilot) in April 2010; Full Operational Capability (FOC) in Sept 2012.
- Where: Stand-up of EProcurement functionality for current DLA Supply Chains, BRAC DLR sites, and 6 DLA sites with no previous EBS implementation (DDC, DRMS, DCSO, DAPS, DESC, DNSC)



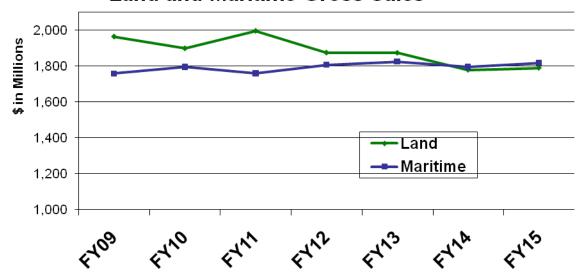
## **National Defense Budget**



#### **FY10 Federal Budget**



#### **Land and Maritime Gross Sales**



- DoD Budget Facing Downward Pressures
- Land & Maritime Business Driven by DoD Budget
  - Surge since FY01
  - Overall business
     volume peaked...but
     many pockets of
     strong demands...
     MRAP/M-ATV/Reset
- Outlook
  - FY09 on target with slight belt tightening
  - FY10 on plan
  - FY11 anticipated decreases

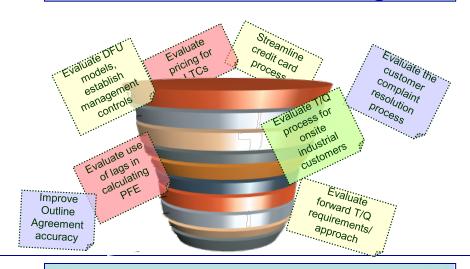


## Continuous Process Improvement 🗡



Culture

CPI projects aligned to identified risk areas (ERM) and NSPS goals



#### **Institutionalizing CPI**



<a href="https://centerwide.dscc.dla.mil/programs/LeanSixSigma/index.html">https://centerwide.dscc.dla.mil/programs/LeanSixSigma/index.html</a>

#### **CPI Profile**

#### Personnel

- 4 certified Black Belts; 16 Certified Green Belts
- 61 trained Green Belts

#### Training

- 3 GB classes at DSCC (Dec, Jan, Apr): 130 trained GB
- 1 BB class at DSCC (Feb-Jun 2009): 12 trained BB
- LSS Champion/Project Sponsor Tng: 40 trained
- DAU On-Line training available

#### Active Projects

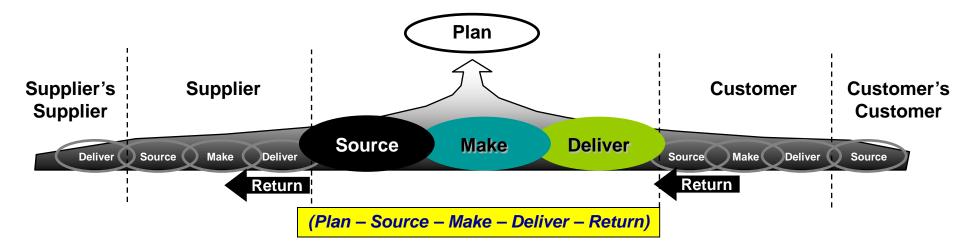
- DSCC: 11 RIEs, 4 LSS project; 1 TOC DBR project
- DLA: 4 Enterprise projects (ESA and Dmd Plng)
- Customers: Participating in 5 projects, many RIEs





## Supply Chain Operations Reference (SCOR) Model





#### **DLA Enterprise**

- Perfect Order Fulfillment
- Demand Plan Accuracy
- Attainment to Plan
- Cost Performance

#### Service Needs

- USN/USMC: CASREPs
- USA: AOG, Reset, CCIR
- USAF: AAIP, MICAPs
- Material Avail, Unfilled Orders

**Being Bilingual -- Goal Congruence in a Global Materiel Enterprise** 

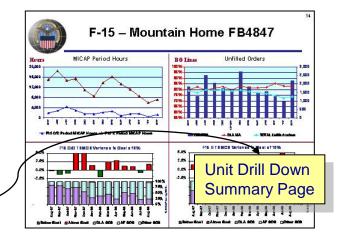


## **DLA Fusion Center Portal**





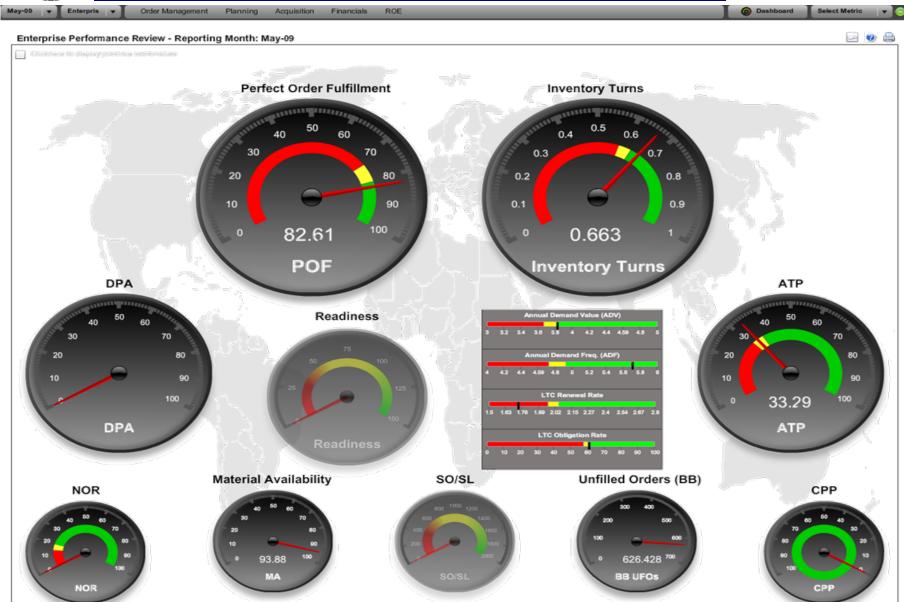
- Customer Targeted Outcome (CTO) metrics programmed into the Fusion Center Portal
  - Access to detailed status information and analysis by Service and weapon system
  - Links outcomes to each Supply Chain partner's contribution to those results





## **Fusion Center Dashboard**







## **Agenda**



- Organization
- Warfighter Support
- Stewardship Excellence
- Workforce Development



## What Is Culture?



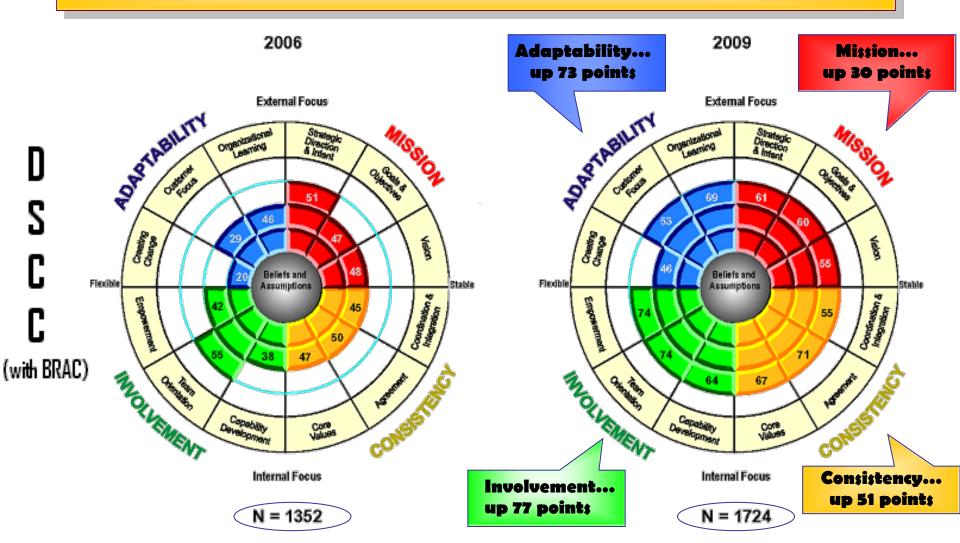
- Beliefs about what is really important
- Widely shared and strongly held <u>social</u> <u>expectations</u> about appropriate <u>attitudes</u> <u>and behaviors</u>
- When organizations stand for something of <u>universal value</u>, employee commitment is deeper and more enduring



## **Culture Survey**



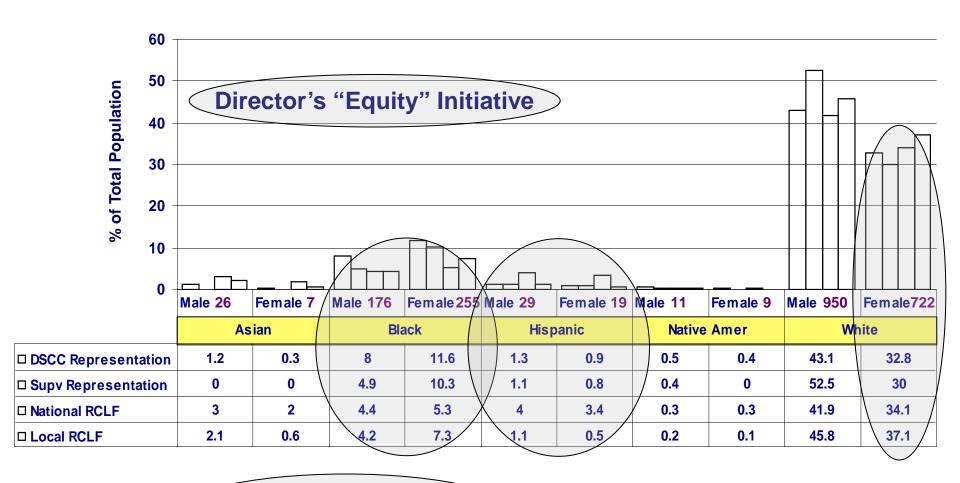
### **DSCC** Response Rate 71.3% -- we'd like it higher





## **DSCC Diversity**



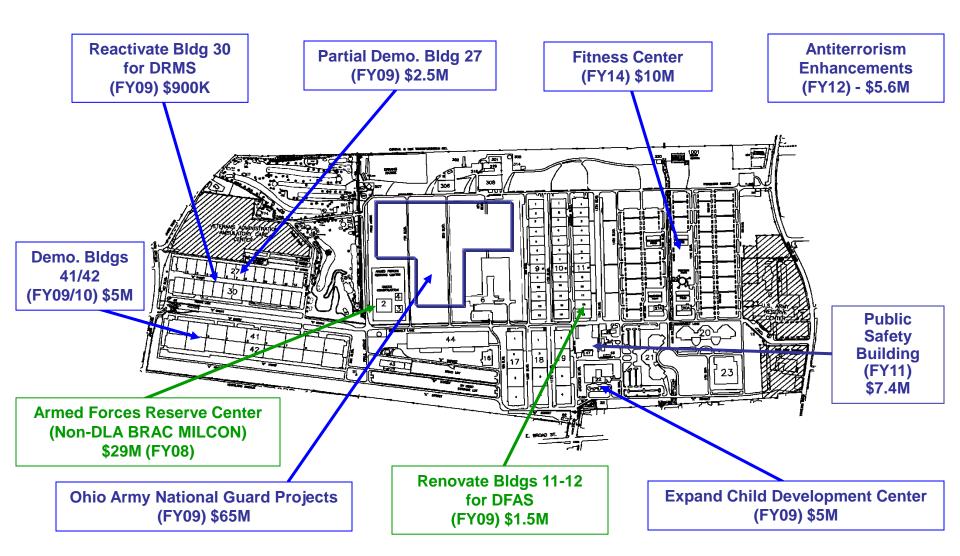


Targeted Disabilities Goal 3%; DLA Columbus 2.17%



# Master Plan / Capital Improvements







## Commander's Intent **Strength and Balance**





## **Culture**

Enhance Associates' Capabilities (Skill, Knowledge, Attributes)

**Continuous Process Improvement underpins all efforts** 

## Defense Logistics Agency





Doing What is Right for the Armed Forces and DoD

Warfighter Support

Stewardship Improvements

Business Process Refinements Workforce Development



## Agenda

- DLA Mission and Organization
- Full Spectrum Support
- Scope of DLA Customer Support
- DoD's Supply Chain Manager
- Support for Responsible Drawdown in Iraq
- Support to US Forces Increase in Afghanistan
- DSCC Warfighter Support



# DLA's Mission Supporting the Warfighter

DLA is DoD's combat logistics support agency. Our mission is to provide best value integrated logistics solutions to America's Armed forces and other designated customer's in peace and in war, around the clock, around the world.



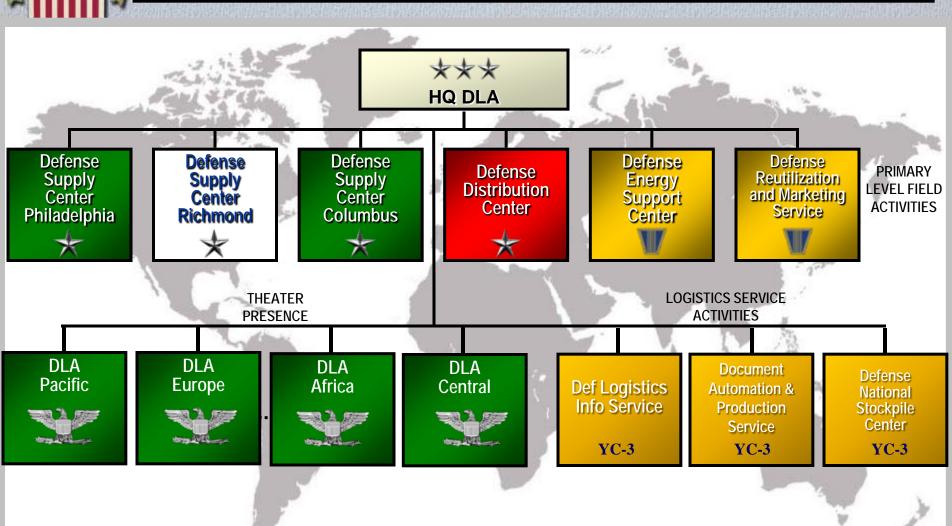








# DLA Organization



1910 <del>(4</del>



## Full Spectrum Global Support

## **Supply Chains**

- Subsistence
- Fuel/Energy
- Land Systems
- Maritime Systems
- Aviation Systems
- Medical
- Clothing & Textile
- Construction & Equip



### **Theater Support**

- DLA Europe
- DLA Pacific
- DLA Central
- DLA Africa



USNORTHCOM

#### **Distribution**

- Defense Distribution Center
- 25 Distribution Centers



USCENTCOM



USSOUTHCOM



USAFRICOM

#### **Reutilization & Disposal**

- Defense Reutilization & Marketing Service
- Reverse Logistics

## **Stockpile**

 Defense National Stockpile Center

#### **DLA Services**

- Document Automation
   Defense Logistics
   Production Service
   Information Service
- Defense Automatic Addressing System Center

5

USPACOM



## Scope of DLA Customer Support

- A \$36.8 Billion global enterprise
- Supports over 1,500 weapon systems
- Provides 95 percent of all Military Services' repair parts
- Manages 3.8 Million national stock numbers (8 Supply Chains)
- Foreign Military Sales
  - Projected Sales Fiscal Year 2009: \$1.53 Billion
  - Shipments: 570,000 per year
  - Supporting 115 Nations
- Provides 100 percent of:
  - Fuels

Clothing and Medical Supplies

Food

- Construction Material
- Worldwide Presence:
  - More than 25,000 civilian, active duty, and reserve employees
  - 28 countries and 48 states (except Vermont and Iowa)



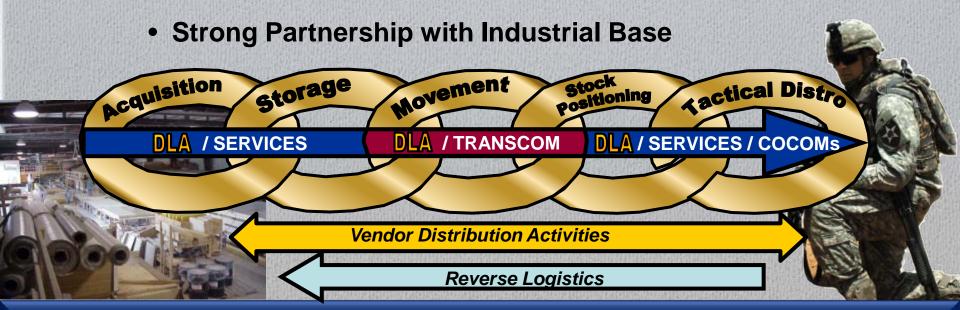






## DoD's Supply Chain Manager

- Integrated, End to End Supply Chain Manager
- Demand Forecasting with Services
- Strategic Material Sourcing
- Significant Presence at Military Industrial Sites





## Taking DLA to the Next Level

## Warfighter Support Enhancements

- Supporting Responsible Drawdown in Iraq
- Supporting US Forces Increase in Afghanistan

### Stewardship Improvements

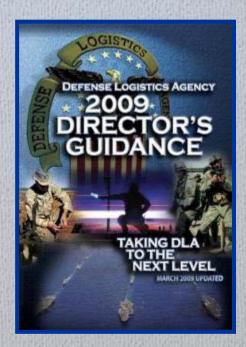
- Identifying Prudent Cost Reductions
- Enterprise Risk Management

#### Business Process Refinements

- Assessing EBS Performance and Potential
- Improving Demand/Supply Planning & Supply Chain Alignment

## Workforce Development

- Enterprise-wide Employee Survey
- Enhancing Support & Capabilities of Forward Support Personnel





## Responsible Drawdown in Iraq

- Supply & Distribution support
  - Adjusting sustainment flow
  - Reviewing forwarding stocking requirements
  - Coordinating support for Reset
- Streamlining the transfer process
- Multi-National Force Iraq support
- DRMO Support
  - Process avg of 24M lbs/month
  - 80% haz material disposed thru Iraqi recycling contracts
  - 100M lbs scrap removed FY08; 52M lbs removed FY09 to date
- Managing materiel reuse to Gov't of Iraq
  - Utilizing 4 step process
  - Base closure ... scrap removal and DEMIL
  - Hazardous waste recycling and disposal
  - Sale of serviceable excess







## **US Forces Increase in Afghanistan**

#### Providing operating base materiel

- Prepositioning supplies
- Procurement and shipping of 17,000 housing units in progress
- Providing generators, latrines, showers and associated material Force protection materials

#### Posturing for the duration

- Establishing DRMO in RC-S
- M-ATV production

#### Sustainment Support

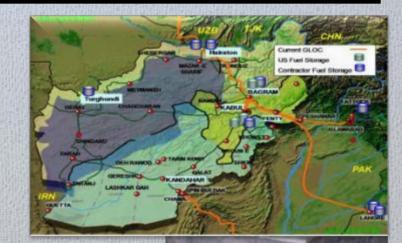
- Surging subsistence and fuel
- Balancing sustainment flow with force flow

#### Repair parts support

- Procurement for critical weapon systems
- Tailoring support for MARFOR unique assets

#### Timely Support

- Customized pure pallets
- Theater First" supply logic







## **US Forces Increase in Afghanistan**

Repair Parts Support

- Services deploy with initial requirements, DLA sustains
- Army Supply Support Activities stock inventory and re-order from DLA
- Almost 100% air shipments
- Dedicated and robust air channels <u>essential</u>
- DLA support from distribution centers
- CONUS Inter-theater flight managed by TRANSCOM
  - 20% US Military Aircraft
  - 80% Commercial aircraft





## **DSCC Warfighter Support**

- MRAP Sustainment
- Tires Privatization
- Industrial Prime Vendor
- Battery Initiatives
- Water Purification Initiative
- Maritime FSC Supply Chain Partnerships (e.g.FSC5961/62 Microcircuits, etc.)
- Various Long Term Contracts for single or multiple NSNs
- Combat Vehicle Support Initiative

#### LAND:

- Parts for Ground Vehicles
- Various Military Equipment Components



#### **MARITIME:**

- Ship Parts
- Electronic Components



## Defense Logistics Agency

